EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	**CLASSIFICATION** Unemployment Insurance **CORRESPONDENCE SYMBOL** OUI/DPM **DATE** July 7, 2014

ADVISORY: **UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 17-14**

TO: STATE WORKFORCE AGENCIES

FROM: PORTIA WU /s/
Assistant Secretary

SUBJECT: Revised Employment and Training (ET) Handbook No. 336, 18th Edition: "Unemployment Insurance (UI) State Quality Service Plan (SQSP) Planning and Reporting Guidelines"

1. **Purpose**. To provide State Workforce Agencies (SWAs) with Change 3 of ET Handbook No. 336, 18th Edition.

2. **References**. ET Handbook No. 336, 18th Edition, "Unemployment Insurance (UI) State Quality Service Plan (SQSP) Planning and Reporting Guidelines"

3. **Background**. The SQSP is the state UI performance management and service plan. With a focus on continuous improvement, it is also the grant document through which states receives Federal UI administrative funding. General instructions for the SQSP are contained in ET Handbook No. 336. The handbook is designed as a permanent instruction for the annual planning and budget process in each state and provides states with planning guidelines and instructions for reporting UI financial and staff year information.

   As part of UI Performs, a comprehensive performance management system for the UI program, the SQSP is the principal vehicle that the state UI programs use to plan, record and manage improvement efforts as they strive for excellence in service. To ensure a viable SQSP and improve its quality, the Employment and Training Administration (ETA) is moving the states to a biennial SQSP cycle beginning with the FY 2015 SQSP. This biennial SQSP planning cycle provides a 24-month window for states to adequately plan and implement performance improvement efforts.

   The new SQSP process provides for two types of submittals i.e. a formal two-year plan and an off-year SQSP *Lite* submittal.

   The formal two-year plan consists of a complete SQSP package, including the State Plan Narrative, corrective action plans (CAPs), the Integrity Action Plan (IAP), budget

RESCISSIONS None	**EXPIRATION DATE** Continuing

worksheets/forms, assurances, organizational charts, and other required administrative documents as requested.

The SQSP *Lite* submittal consists of items included in the state's request for Federal UI administrative funding, as well as *ad hoc* modifications to SQSPs. Since states and Regional Offices (RO) will continue to review reported performance data, monitor program performance, and initiate corrective actions when warranted, the SQSP *Lite* submittal will require states to submit new CAPs and IAPs to describe, for example:

- Corrective actions the state will take based on findings made in RO performance reviews; and
- New performance deficiencies identified in RO reviews of state performance data during the most recent performance year

States will be required to modify the State Plan Narrative, existing CAPs, and IAPs to include, for example:

- Missed milestones; and
- New strategies for performance improvement

Implementation for the new SQSP planning cycle will occur in phases. Using the FY 2015 SQSP as a baseline, one half of the states in each region will submit a complete SQSP package with two-year plans. The remaining states will submit a complete SQSP package with one-year plans. Starting in FY 2016, all states will be placed on a two-year plan cycle – that is, states that submitted an FY 2015 two-year SQSP will continue to submit two-year plans, and states that submitted an FY 2015 one-year plan will submit two-year plans starting in FY 2016. This means all states will submit two-year plans going forward, but on alternating cycles. ROs will include submission requirements in their annual instructions to the states in their regions.

The schedule, significant activities, and dates relating to the submittal and approval of the SQSP are outlined in Change 3 of ET Handbook No. 336, 18th Edition.

4. <u>Handbook Modifications Summary</u>.

- **Introduction:** Modifications have been made to all references regarding the submittal of SQSPs to reflect the new biennial submittal of the formal SQSP.
- **Chapter I:** This chapter explains the planning process for the SQSP. Modifications have been made to incorporate the description and the process for the submittal of the formal SQSP. Additionally, modifications to this chapter specify the content of the biennial (formal) SQSP and the annual (SQSP *Lite*) submittal of the SQSP.
- **Appendix I:** The sample CAP format has been modified to allow for performance targets and milestones to reflect the 2-year planning cycle.

In addition to the changes summarized above, editorial changes were made to other chapters and appendices of the Handbook to clarify existing instructions. Also, changes have been made throughout the Handbook to reflect current OMB expiration dates.

5. **OMB Approval**. On May 14, 2014, The Office of Management and Budget approved the change request to ET Handbook No. 336, 18th Edition, in accordance with the Paperwork Reduction Act of 1995. The approval number is OMB No. 1205-0132. The public reporting burden for this collection of information has decreased.

6. **Effective Date**. The contents of the Handbook are effective with the preparation of the FY 2015 SQSP.

7. **Action Requested**. Copies of the attachment should be distributed to all holders of Handbook No. 336. States should review these changes and adjust their procedures as necessary.

8. **Handbook Maintenance**. Replace ET Handbook No. 336, 18th Edition, in its entirety, with the revised Handbook, dated April 2014.

9. **Inquiries**. Questions should be addressed to the appropriate RO.

10. **Attachment**. ET Handbook No. 336, 18th Edition.

ET HANDBOOK NO. 336

18th Edition

UNEMPLOYMENT INSURANCE

STATE QUALITY SERVICE PLAN

PLANNING AND REPORTING GUIDELINES

April 2014

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INTRODUCTION

April 2014

The SQSP Handbook provides guidelines for the completion and submittal of the State Quality Service Plan (referred to as the SQSP or the State Plan) for the Unemployment Insurance (UI) program and the reports and data elements to be used for financial reporting of state UI program activities.

A. Background

The SQSP represents an approach to the UI performance management and planning process that allows for an exchange of information between the Federal and state partners to enhance the ability of the program to reflect their joint commitment to performance excellence and client centered services. The statutory basis for the SQSP is Title III, Section 302 of the Social Security Act, which authorizes the Secretary of Labor to provide funds to administer the UI program and Sections 303(a)(8) and (9) which govern the expenditure of those funds. States submit budget worksheets and various assurances annually since funds for UI operations are appropriated each year. The Department of Labor's (DOL's) annual budget request for state UI operations contains workload assumptions for which the state must plan in order for the Secretary to carry out the responsibilities under Section 303(a)(1) of the Social Security Act, which ensures full payment of unemployment compensation when due. DOL issues financial planning targets based on the budget request. States make plans based on such assumptions and targets via this mechanism.

As part of UI Performs, a comprehensive performance management system for the UI program, the SQSP is the principal vehicle that the state UI programs use to plan, record and manage improvement efforts as they strive for excellence in service. UI Performs was officially announced in August 1995. Unemployment Insurance Program Letter (UIPL) No. 41-95, dated August 24, 1995, outlined a construct for a comprehensive performance management system based on the following:

- a significantly improved data collection infrastructure that provides more management information more frequently;
- performance measures that include national core criterioned measures and a menu of non-criterioned measures for states to use in measuring and improving their program performance;
- a dynamic planning process that is state focused; and
- a goal of continuous improvement with responsibility shared by both state and Federal partners.

UIPL No. 14-05, *Changes to UI Performs*, and its changes 1, 2, and 3, outlined changes to UI Performs as a result of a review of the system. The changes streamlined UI Performs by:

- reducing the number of measures for which performance criteria are set to a few core measures;

- recognizing remaining measures as management information with no set performance criteria; and

- streamlining the SQSP narrative.

The focus of this Handbook is to provide specific guidance regarding the SQSP, which is the implementing document for the performance management system described above. The State Plan is an integral part of UI Performs. It is, therefore, critical to understand the broader context in which the State Plan is developed.

1. The Continuous Improvement Cycle. UI Performs embraces the continuous improvement cycle advocated by quality practitioners which is commonly known as the "Plan-Do-Check-Act" cycle. It also is referred to as a "closed loop" continuous improvement cycle. It incorporates a strategic planning process of identifying priorities; ongoing collection and monitoring of valid data to measure performance; identification of areas of potential improvement; and development of specific action steps to improve performance, followed by use of available data to determine whether the action steps are successful. The cycle continues indefinitely with the opportunity at any point to reassess priorities, performance, and action that can improve performance.

2. The Performance Measurement System. The system includes Core Measures, Secretary's Standards, Management Information Measures, and UI Programs as listed in Appendix III. The Core Measures and Secretary's Standards are indicators of how well State Workforce Agencies (SWAs) perform critical activities. Management Information Measures provide additional insight into UI program operations.

3. The Planning Process. UI Performs emphasizes joint responsibility between states and the Employment and Training Administration (ETA) for setting priorities and responding to performance information on an ongoing basis. The relationship between the states and ETA will include the following shared responsibilities:

- continued tracking and analysis of performance data;

- identification of Federal and state priorities;

- development of planning directions;

- negotiation to determine improvement levels; and

- development and implementation of strategies to maintain acceptable performance.

Accomplishing these ongoing responsibilities requires an interactive and consultative process between states and ETA.

4. <u>The State Quality Service Plan</u>. The State Plan is intended to be a dynamic document that states can use as a management tool - much like a business plan - not only to ensure strong program performance, but also to guide key management decisions, such as where to focus resources. It should focus the states' efforts to ensure well-balanced performance across the range of UI activities. The State Plan also is designed to be flexible to accommodate, among other things, multi-year planning and significant changes in circumstances during the planning cycle. Although it will be developed in cooperation with the Federal partner, the State Plan is state-focused. The Federal role in the process is designed to be constructive and supportive.

Operationally, the State Plan also serves as the programmatic plan portion of the grant document through which states receive Federal UI administrative funding. To serve this purpose, the state is required to submit budget worksheets and various assurances required in the Federal grant agreement.

The State Plan is designed to provide the structure for recording the following kinds of information:

- responses to federally identified priorities;
- performance assessment information;
- short and long term strategies for achieving performance targets;
- corrective action plans (CAPs) for failure to meet core performance criteria; and
- state strategies for evaluating customer satisfaction and gaining customer input to promote performance excellence.

States are required to submit the SQSP electronically and should contact the Regional Office (RO) SQSP Coordinator prior to submittal to coordinate specific details.

B. <u>Relationship/Coordination with Other Plans</u>

The UI program does not stand alone. It is the wage replacement component of an overarching effort to return a worker to suitable work. As such, the SQSP should be developed in concert with other plans which also address the same customer (such as the Wagner-Peyser and Workforce Investment Act plans) to ensure a coordinated effort and minimal obstacles for the client in moving from program to program. This coordination will most likely be apparent in the State Plan Narrative portion of the SQSP.

C. <u>Partnership Principles</u>

The three following principles form the basis for carrying out Federal and state responsibilities under UI Performs and the SQSP planning process:

- Basing the federal-state relationship on mutual trust and respect will improve the UI system and its service to the American public;

- Working as equal partners with complementary roles will improve the UI system's quality of service and its integrity; and

- By setting high standards and goals and working together as a team, the system will be strengthened and the entire nation will benefit.

The following are examples of the actions and attitudes which are consistent with these principles:

- Fostering a win-win relationship; advocating for and supporting one another;
- Sharing credit, celebrating successes;
- Being willing to acknowledge the existence of problems, and focus on fixing them instead of placing blame;
- Mutually accepting responsibility for resolving problems and overcoming deficiencies;
- Where there are differences between partners—
    - Trying to resolve disputes equitably and fairly, being willing to compromise to achieve consensus; and
    - Seeking early, informal resolution;
- Fostering open, personal communication;
- Clearly defining partner roles, rights and responsibilities;
- Engaging in joint planning and influencing one another's priorities;
- Promoting innovation and creativity;
- Jointly seeking input from customers;
- Sharing information and resources;
- Recognizing the role and importance of other players at the state and national levels;
- Asserting positive and friendly influence on partners to improve performance; and
- Periodically reviewing the principles and roles.

D. Planning Considerations

This section provides information for states to use in developing their SQSPs.

1. State Agency Resource Planning Targets for UI.

a. Financial Guidelines. States will prepare all SQSPs according to financial guidelines transmitted with target funding levels provided by the ROs. **b. Final Allocations.** Final allocations may contain increases or decreases from the target funding level, which may require some revisions to submitted or approved State Plans.

2. State Flexibility. States have the flexibility to use the total dollars approved by ETA among the various UI program categories as they deem appropriate. However, for purposes of determining certification of above-base funding for workload above the base, the base staff year

levels for claims activities as allocated by ETA will be used. Note that this flexibility does not include special allocations which are identified on a case-by-case basis.

3. State Financial Reporting System. ETA does not prescribe the use of any specific accounting and reporting system by the states. States are free to use any accounting system that meets the standards for state grantee financial management systems prescribed by Federal Regulations at 29 CFR 97.20. However, states must be able to report UI financial information in the form and detail described in Chapter II of this Handbook.

E. OMB Approval

OMB No.: 1205-0132 OMB Expiration Date: 10/31/2014 Estimated Average Response Time: 2.86 hours

OMB Burden Statement: Public reporting burden for this collection will vary from state to state, depending on the number of reports required, but will average 3.25 hours per response. These reporting instructions have been approved under the Paperwork reduction Act of 1995. Persons are not required to respond to this collection of information unless it displays a valid OMB control number. Public reporting burden for this collection of information includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Submission is required to obtain or retain benefits under SSA 303(a)(6). Persons responding to this collection have no expectation of confidentiality. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of Unemployment Insurance, Room S-4519, 200 Constitution Ave., NW, Washington, DC, 20210.

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CHAPTER I - PLANNING

I. INTRODUCTION

Chapter I of the SQSP Handbook provides guidelines for the completion and submittal of the state SQSP for the UI program and instructions for the SBR process for extraordinary funding.

II. OVERVIEW OF PROCESS

While the SQSP process is ongoing throughout the year, the formal plan submittal occurs once every two years. The formal plan consists of a complete SQSP package, including the State Plan Narrative, CAPs, the Integrity Action Plan (IAP), budget worksheets/forms, assurances, organizational charts, and other required administrative documents as requested. Since funds for UI operations are appropriated each year, budget worksheets, various assurances, and other items necessary for the Federal UI administrative funding process, are submitted every year.

A. Schedule. The significant activities and dates relating to the submittal and subsequent approval of the SQSP are estimated to be:

Frequency	Activity	Approximate Date
Annual	National Office (NO) issues Annual UIPL	May/June
	NO send financial guidelines and planning targets to states	Late June
	States submit SF 424, 424A (as necessary), 424B	At RO request or with SQSP at the latest
	ROs notify states of SQSP approval	Late September
	ROs notify NO of approved SQSPs	No later than September 25
	NO Grant Officer transmits UI Annual Funding Agreement to states for signature	Mid September
	Execution of UI Annual Funding Agreement with first funding increment	Early October
	States submit UI-1 (UI Staff Hours)	October 1
	States electronically submit the SQSP Lite documents to ROs.	August/September per RO requirement
Biennial	States electronically submit the formal SQSP to ROs.	August/September per RO requirement

B. Annual SQSP UIPL. Each year, the SQSP submittal will be initiated with the SQSP UIPL. States should carefully review the annual UIPL. This letter will specify the dates relevant to the SQSP process for the approaching fiscal year; summarize Federal Program Emphasis for the year; and identify any special planning requirements in effect for the fiscal year. It also will explain opportunities for increased, targeted funding made available on an annual basis in the President's budget if such opportunities exist.

1. Federal Program Emphasis. The Federal Program Emphasis summarizes the primary areas in which the Federal partner will focus attention and resources for the planning cycle. The DOL Strategic Plan and the annual DOL Performance Budget form the basis for the Federal Program Emphasis. Required by Congress under the Government Performance and Results Act (GPRA), the Federal plans are an integral part of the Federal budget process. They establish program performance goals and outcomes and identify strategies and performance objectives to attain them. Accordingly, states will want to review the current versions of these planning documents before developing their SQSPs. These documents may be found under the "Budget, Performance & Planning" section of the DOL webpage, http://www.dol.gov/dol/aboutdol/main.htm.

2. Special Planning Requirements. Any special planning considerations or requirements for the planning year will be identified in the SQSP UIPL.

C. Financial Guidelines and Planning Targets. Each year the NO provides preliminary allocations, any special financial instructions for the year, and submission deadlines.

D. Performance Measures. UI Performs incorporates two types of performance measures (Core and Management Information). States are encouraged to routinely monitor performance data on both Core and Management Information Measures and to achieve continuous improvement in overall unemployment compensation performance by establishing improvement targets for as many measures as possible.

1. Core (Criterioned) Measures. Core Measures are those measures that are considered to be critical indicators of the overall performance of the program. If acceptable levels of performance (ALPs) for them are not met, it signals fundamental impairment in program operations, and triggers corrective action planning. Core Measures are comparable among SWAs and have ALP criteria assigned to them. SWAs are expected to submit corrective action plans (CAPs) if performance falls below the ALPs. See Appendix III, Performance Measures, for a list of the Core Measures and associated criteria.

2. Management Information (Non-Criterioned) Measures. Management Information Measures, like Core Measures, are routinely reported by the state using Federal definitions found in ETA Handbook 401, but, with the exception of the

Secretary's Standards[1], have no nationally established Federal criteria for determining the adequacy of the state's performance. Some Management Information Measures are subsets or components of data included in Core Measures, such as timeliness of Unemployment Compensation for ex-Service Members (UCX) benefit payments, those claiming benefits on an interstate basis, or the individual Tax Performance System (TPS) components of the tax quality measure. These data alert state and Federal managers to performance issues that could result in lower performance on Core Measures and are useful for performance analysis. However, as provided in Federal UI law, the Secretary of Labor retains full authority to address cases of conspicuously poor performance in a state.

E. Performance Assessment

1. Continuous Assessment. In the SQSP process, both the Federal partner and the state will routinely access performance data to monitor program performance and initiate corrective action when warranted. CAPs are plans developed in response to data showing state performance below the ALPs established for Core Measures. Also, if a state's performance in one or more Management Information Measures is so conspicuously poor that a state's compliance with Federal law requirements is in question, DOL would require corrective action. Although performance may be viewed at specific points in time (e.g. monthly, quarterly, annually, etc.), each assessment reviews performance over time and focuses not only on performance for the period in question, but also on the trend of performance over the period reviewed (e.g., was performance declining or improving, sustained or erratic).

No less than quarterly, states are expected to provide ROs with the status of each CAP.

2. Annual Assessment. An annual assessment will augment the ongoing continuous improvement process, and will form the basis for corrective action planning for the SQSP. This annual assessment will utilize the most recent 12 months of performance data. For data reported monthly or quarterly, the assessment will include the 12 months ending March 31 of each year. For data reported annually, the assessment will be based on data reported for the most recent complete calendar year (or other full 12-month period, per reporting requirements).

ETA will make all relevant data available to the states for SQSP purposes, but states have continuous direct access to the data resident on the state SUN computer system, or through the Office of Unemployment Insurance website at http://www.oui.doleta.gov. Subsequent performance data that become available during the plan development period (e.g., April, May, June data) should be utilized to refine plans before final submission and approval.

[1] The criteria for measures of Secretary's Standards are currently in regulation and will remain in effect until the regulation is replaced.

3. State/Regional Negotiations. Before the SQSP is signed, states and regional administrators must agree on the specific areas for which the state will submit and/or revise CAPs and Narratives in the SQSP. These negotiations encompass performance below the established criteria for Core Measures, Secretary's Standards, and UI Programs. CAPs are expected to be submitted if performance is unsatisfactory and an effective plan is not already in place.

F. State Plan Preparation. States must prepare and transmit an SQSP in accordance with the instructions in this Handbook and in the annual SQSP UIPL. The SQSP, with its CAPs and Narratives, is the state's formal plan and schedule for improving performance. An acceptable SQSP must have state management approval and must authorize the resources necessary to conduct the actions planned.

G. SQSP Review and Approval. ROs shall review SQSPs for completeness, and to make sure that they are in accordance with the instructions and that they reflect negotiated agreements. This review may result in the RO initiating additional discussion or obtaining clarification. A plan that the regional administrator deems unsatisfactory, i.e., failing to meet the requirements identified in this Handbook, shall be returned to the state for revision without approval.

III. CONTENT AND SUBMITTAL OF SQSP

A. **Content of the SQSP.** Every two years, formal SQSP submittal must contain a complete SQSP package, including the State Plan Narrative, CAPs, the Integrity Action Plan (IAP), budget worksheets/forms, organizational charts, and other required administrative documents as requested. Annually, the SQSP *Lite* submittal must contain a transmittal letter, Budget Worksheets, Organizational Chart, Signature Page, CAPs for new performance deficiencies, and required modifications to existing CAPs. Each element/document is described below.

1. Transmittal Letter. State administrators must prepare and send a cover letter to the appropriate RO transmitting all the required SQSP documents.

2. Budget Worksheets. States must complete required budget forms and plan for administration based on projected allocations received from the Federal partner.

All states must complete Worksheet UI-1 and SF 424, and SF 424B. States must complete the SF 424A only if they vary the quarterly distribution of base claims activity staff years.

States must submit the Worksheets UI-1 by October 1 of each year separately from the SQSP submittal. States must include SF 424, SF 424A (if necessary), and SF 424B in the annual SQSP submittal, if not submitted previously in August at the RO's request.

Completion instructions and facsimiles of these forms are in Appendix I.

3. <u>The State Plan Narrative</u>. The State Plan Narrative is a vital element of the SQSP that provides a vehicle for sharing with the Federal partner state-specific efforts that affect the administration of the UI Program. The State Plan Narrative allows the state to describe in a single narrative: a) state performance in comparison to the GPRA goals; b) actions planned to correct deficiencies regarding UI programs, UI program reviews and reporting requirements; and c) results of customer satisfaction surveys (optional). Section IV, State Plan Narrative, provides a detailed description and instructions for the format and content of the Narrative. A sample outline of the State Plan Narrative is contained in Appendix I.

4. <u>Corrective Action Plans</u>. CAPs are expected as a part of the SQSP when State's annual performance does not meet the criteria, specifically:

a. Performance that did not meet ALPs for Core Measures for the annual measurement period and remains uncorrected prior to the preparation of the SQSP;

b. Performance that did not meet the criteria for Secretary's Standards for the annual measurement period and remain uncorrected prior to the preparation of the SQSP;

c. UI program deficiencies identified by the NO in the annual SQSP UIPL;

d. UI program integrity; and

e. Failure to meet the requirements for the Assurance of Contingency Planning.

Typically, no CAPs will be required based on Management Information Measures. However, if a state's performance in one or more Management Information Measures is so conspicuously poor that a state's compliance with Federal law requirements is in question, a CAP may be expected. A sample of the CAP format is in Appendix I.

5. <u>UI Program Integrity Action Plan</u>. All states are required to complete the UI IAP, outlining the strategies the state will undertake during the planning period regarding the prevention reduction and recovery of UI improper payments. SWAs will use the UI IAP template in Appendix I to describe planned activities to prevent, detect, reduce, and recover improper UI payments. The description of the plan is in Appendix V.

6. <u>Organizational Chart</u>. The state must submit an organizational chart. This organization chart must conform to the requirement for delivery of service through public employment offices, or such other designated providers as the Secretary may authorize; show the state's configuration from the Governor of the state down to the point of Employment Service and UI customer service delivery; and provide

sufficient detail to show each organizational unit involved and the title of the unit manager.

7. SQSP Signature Page. State administrators must sign and date the SQSP Signature Page located in Appendix I. By signing the Signature Page, the state administrator certifies that the state will comply with all the assurances and activities contained in the SQSP guidelines.

B. Submittal of the SQSP. States must submit the SQSP to their RO by the date the Region has specified. The SQSP Content Checklist located at the end of this chapter shows all the documents that comprise the entire SQSP. States should use the Checklist when preparing the SQSP to ensure that those documents appropriate to its plan are submitted, and to minimize the potential for a delay in the approval and funding process. Electronic transmittal of the SQSP is required in a format specified by the RO. States must provide their RO with an original SQSP Signature Page; however, states may submit the Signature Page electronically, if state law permits.

IV. STATE PLAN NARRATIVE

Of necessity, states engage in a planning process and set priorities for the coming two years. The State Plan Narrative provides a vehicle for sharing the results of that process with the Federal partner. In addition, it provides an opportunity to report on the integration and coordination with other internal and external plans which serve the same client.

A. Description. The State Plan Narrative consists of a description of major planning elements the state plans to focus on during the 2-year planning cycle. The Narrative should be concise, as a more detailed discussion with RO staff already may have occurred, or may occur as a follow-up. However, in order to develop RO and NO support for its objectives, the state needs to provide a minimum amount of information relative to the categories defined in a format that allows for follow-up and tracking.

Below are the components to be included in the State Plan Narrative. These components should be addressed in a manner that best describes the state's direction and plans for two consecutive fiscal years:

- The strategic direction the state has adopted to ensure continuous program improvement, including the basis for the state's choice of areas to emphasize in the planning cycle, and the actions planned to support performance improvement during the two years;

- Assessment of program performance in prior program years;

- Responses to the Secretary of Labor's areas of program emphasis;

- State performance in comparison to the GPRA goals for the U.S. Department of Labor;

- Actions planned to correct the following types of deficiencies regarding UI programs and reporting requirements including:

  - **Program Review Deficiencies.** Causes for failures to conduct required program reviews. Examples of such program reviews include Federal programs (Unemployment Insurance for Federal Employees (UCFE), UCX, etc.), BPC, Internal Security, UI Automation Support Account (UIASA) monitoring, and State Audits.

  - **Program Deficiencies**. Uncorrected deficiencies identified during program reviews conducted by the state, or ETA.

  - **Reporting Deficiencies.** Failure to timely or accurately submit any federally-required reports, including missing reports; monthly and quarterly reports submitted late more than 50 percent of the time (7 of 12 months for monthly reports; 3 of 4 quarters for quarterly reports); and annual reports submitted late 3 consecutive years.

- Information on the state strategy for evaluating customer satisfaction and including customer input to promote continuous improvement; (optional)

- State's specific requests for technical assistance from the Federal partner; and

- Information on the state's approach to maintaining solvency of the state's unemployment fund.

B. Format and Instructions. A sample of the State Plan Narrative outline is in Appendix I. The format is intended to provide states flexibility in conveying their overall direction and emphasis while providing for electronic transmittal. States are requested to address each area of the outline, including entering N/A (Not Applicable) where appropriate.

V. CORRECTIVE ACTIONS PLANS

A. Description. CAPs consist of a summary section, milestones, and completion dates. CAPs should be completed and submitted according to the format in Appendix I.

States are expected to complete and submit CAPs for the following:

1. Performance Deficiencies. Performance that did not meet criteria established for Secretary's Standards, Core Measures, and UI Programs for the annual measurement period and remains uncorrected prior to the preparation of the SQSP is

considered deficient. CAPs for Secretary's Standards, Core Measures, and UI Programs must be titled as listed in Appendix III.

In many instances, performance deficiencies will have been identified prior to the annual assessment with a CAP already in existence to remedy the problem. Accordingly, the SQSP will not, in many instances, result in the development of a new CAP unless progress on an existing plan is not on target or does not adequately address milestones for the plan cycle. Such CAPs (i.e., adequate, existing CAPs) will be incorporated into the SQSP submission along with revised CAPs and CAPs addressing newly identified deficiencies.

2. UI Program Deficiencies. ETA will issue additional guidance to address UI program deficiencies in the annual SQSP UIPL.

3. Conspicuously Poor Performance. If a state's performance in one or more Management Information Measures is so conspicuously poor that a state's compliance with Federal law requirements is in question, corrective action may be required.

B. CAP Format Completion. When developing a CAP for deficient performance, states should complete all data elements in the prescribed format. A sample format is contained in Appendix I.

1. **State.**
2. **Federal Fiscal Year.**
3. **Measure/Program Area.** Measures are listed in Appendix III.
4. **Performance Level.** The state must indicate the 12-month cumulative performance level it expects to achieve by each quarter ending date.
5. **Summary.** The summary section must address the items below:

   a. Explain the reason(s) for the deficiency;
   b. Provide a brief description of the actions/activities which will be undertaken to improve performance.
   c. If a plan was in place the previous fiscal year and performance has not improved as specified in the plan, provide an explanation of why the actions contained in that plan were not successful in improving performance, and an explanation of why the actions now specified are expected to be more successful.
   d. Provide a brief description of plans for monitoring and assessing accomplishment of planned actions and for controlling quality after achieving performance goals.

   If the desired improvement will not be accomplished by the end of the two consecutive fiscal years for which the plan is submitted, the state should provide a multi-year plan which must include: (1) an estimate of where performance will be at the end of the 2-year planning cycle; (2) major actions

remaining to be taken in subsequent fiscal years; and (3) a projection as to when the performance goal will be achieved.

6. **Milestones and Completion Dates.** The state must list both specific milestones (key corrective action or improvement activities) and the completion date for each milestone in the space provided. Milestones must be established for each element of the state's CAP and be of sufficient number and frequency to facilitate state and regional plan oversight and assessment during the 2-year cycle. It is anticipated that one or more milestones for each quarter would permit such progress tracking and assessment during the planning cycle through state and regional follow-up schedules.

NOTE. Milestones should be concise and should specify key actions to be accomplished throughout the planning cycle to implement the state's proposals for achieving its corrective action goals. States also may wish to identify performance milestones that reflect the performance level they anticipate will result from completion of planned activities.

C. Assembly. CAPs must use the identical labels and be arrayed in the same order in which they appear in the lists of Measures (see Appendix III).

VIII. UI PROGRAM INTEGRITY ACTION PLAN.

A. Description. IAPs must include root causes of UI improper payments, person(s) accountable for reducing UI improper payments, strategies to address root causes and recovery of improper payments, and a timeline. IAPs should be completed and submitted according to the format in Appendix I.

B. IAP Format Completion. When developing an IAP, states should complete all data elements in the prescribed format. A sample format is contained in Appendix I. Instructions for completion on the IAP are in Appendix V.

VII. BUDGET WORKSHEETS AND INSTRUCTIONS

This section contains instructions states will need to follow to prepare resource requests for administering the UI program during the fiscal year. Budget worksheets are in Appendix I. Only two UI program operation worksheets (UI-1 and SF 424) are required. State agencies must prepare and submit the UI-1 (via Unemployment Insurance Required Reports (UIRR)) for staff hour estimates, and the SF 424 for base level planning and supplemental grant requests.

A. Worksheet UI-1, UI Staff Hours. A facsimile of Worksheet UI-1 and associated form completion instructions are found in Appendix I. These data are required for the

development of annual base planning targets. The UI-1 worksheet is due by submission via the UIRR to the NO (Attn.: Office of Unemployment Insurance, Division of Fiscal and Actuarial Services) by October 1 of each year.

B. SF 424, Application for Federal Assistance. The regulation at 29 CFR 97.10 requires the use of the OMB Standard Form (SF) 424, Application for Federal Assistance, or other forms approved by OMB under the Paperwork Reduction Act of 1995, for an application for grant funds by state grantees. ETA requires that states use the SF 424 for submitting applications for UI base grants and SBRs. The SF 424 must be filled out according to its instructions.

1. Procedures for Submission. States must submit a separate SF 424 and SF 424B for each request for base funding and each SBR. A separate SF 424A also may be required as described in sub-paragraph 2.b. below. In addition, states which submit SBRs must provide supporting justification and documentation. SF 424s are due as requested, or with the SQSP at the latest, for base grants and throughout the year as necessary for SBRs.

2. Form Completion Instructions. States must follow the standard instructions in completing SFs 424, 424A and 424B; however, states are not required to complete all items on the SF 424 and 424A. A facsimile of these forms and completion instructions are found in Appendix I. The following are specific guidelines for completing SFs 424 and 424A.

a. SF 424. States are not required to complete Items 3, 4, 6, 9, 13, and 14 for base grants and SBRs. States must complete the remaining items. In Item 2, all SBRs are considered to be revisions. In Item 12, the title of the project must refer to either the base grant or SBR title and number. SBRs must be numbered sequentially within the fiscal year, e.g., 00-1, 00-2, etc.

b. SF 424A. States must complete Items 1, 6, and 16 for SBRs. States are not required to complete this form for base grants, unless they vary the number of base claims activity staff years paid by quarter; states that do so must show the quarterly distribution in Item 23 (Remarks).

C. Supplemental Budget Requests (SBRs). The UI appropriation language authorizes supplemental funding related to expenditures due to state law changes enacted after the base allocation is provided. In addition, ETA may on occasion award supplemental funds for specific items not funded in the base allocations. States may submit SBRs for these specific solicitations from ETA.

1. Allowable/Unallowable Costs

a. Allowable Costs. States may submit SBRs only for one-time costs that are not a part of base or above base. SBR funds may be used only for the

purposes identified in the SBR and/or any modifications to the original agreement approved by the grant officer.

b. Unallowable Costs. SBR funds may not be used for ongoing costs, such as maintenance of software and hardware, or ongoing communications costs. In addition, SBRs may not be used to pay for salary increases, even when these increases are caused by a law change.

2. Guidelines for Preparing SBR Supporting Documentation. ETA will evaluate and approve all SBRs on the basis of supporting documentation and the justification provided. Insufficient justification may delay processing and result in partial or total disapproval of the SBR.

a. Supporting Documentation. SBRs may address a variety of projects whose scope cannot be fully anticipated. At a minimum, the SBR supporting documentation must contain the following five elements; however, these guidelines will not perfectly fit every SBR. States should use them as a starting point.

1) Summary. For larger projects, the SBR should contain a summary (1-2 paragraphs) that explains what the funds will accomplish. It should identify major capital expenditures, including hardware, software, and telecommunications equipment; state staff; contract staff; and other purchases. It should also state what the final product or results will be when the funds have been expended.

2) Commitment to Complete Project. ETA cannot assure the availability of future Federal supplemental funds. By applying for these individual projects, the state is agreeing that the projects will be completed with no additional Federal SBR funding. Applicants must agree to continue efforts to complete the SBR project, and to supply any additional funds necessary to complete the project in a timely manner. This assurance is necessary to ensure that projects begun with Federal funds are not abandoned due to a lack of additional Federal funding.

3) Schedule. If the project activities have not been completed, the SBR must include a projected schedule. The schedule should provide the projected dates for significant activities from start to completion.

4) Amount of Funding Requested. The total dollar amount of the SBR must be included. The costs of specific program modules or tasks must also be listed.

5) Description of the Proposed Fund Usage. The SBR must contain a full description of how the funds are to be used and why the proposed

expenditures represent the best use of funds for the state. For each specific program module or task, the SBR must include costs for:

(a) Staff. The request must identify both one-time state staff needs and contract staff needs. Staff needs must include the type of position (e.g., program analysts), the expected number of staff hours, and the projected hourly cost per position.

(1) State Staff. Staff costs are allowable but all personal services (PS) and personal benefit (PB) expenses and time worked for the project must be appropriately charged to the SBR.

(2) Contractor Staff. For contract staff, the state must supply documentation including the estimated positions and hours, and the anticipated costs. States electing to negotiate with the Information Technology Support Center (ITSC) or other available sources for technical assistance must supply the same information normally requested for all contract staff, including the type of position, the expected staff hours, and the costs.

(b) Non-Personal Services (NPS). States may identify itemized one-time state NPS needs or may calculate staff-related NPS costs by formula. If not itemized in the SBR, staff-related NPS costs (excluding data processing and other needs) must be based on the rates approved for the current year's base allocation.

(1) Hardware, Software, and Telecommunications Equipment. This section must include any hardware, software, and/or telecommunications equipment purchases that are a part of the request. Descriptions must show that the sizing and capabilities of the proposed purchases are appropriate for the state. States that receive SBR funds for specific items, and subsequently determine that other items are more suitable, may substitute those items if they submit an amendment to the SBR documenting the appropriateness of the purchase, and ETA approves the substitution. Substitutions must be in line with the overall goals of the project.

SBRs sometimes include requests for items covered under the definition of automation acquisition in Chapter II. The obligation and expenditure periods for these funds are longer than the periods for regular UI base and above base funds. States must clearly identify automation acquisition items in the SBR.

(2) Travel. The request may include NPS travel costs; however, PS and PB costs for staff while on travel are not allowable.

(3) Other. The request may include one-time costs for other activities, not identified above, and anticipated to be obtained from vendors, such as telephone companies, Internet service providers, and telecommunications providers.

b. Additional Required Items for Law Change SBRs. SBRs for law changes must contain the following information:

1) The specific bill number of enactment, and effective date of law change.

2) Relevant provisions as an attachment.

3) Costs per legislative provision and a narrative explaining why costs were or will be incurred for each provision, e.g., implementing tax rate changes; increasing the maximum benefit amount; or creating an alternative base period.

4) If a legislative provision benefits both UI and non-UI activities, the SBR must contain a statement certifying that the request is consistent with the state's approved cost allocation plan and is only for costs which, under Federal law, may be funded from UI grants.

c. Supplementary Items. Some SBRs are for large-scale, complex projects that may be accomplished over a period of years. The following items are not required, but would be helpful in the SBR evaluation process:

1) Use of Technology. If applicable, the request should describe how the state will use technology in this project**,** including the technical appropriateness of the hardware, software, and/or telecommunications equipment for integration with the state's current operating systems**.**

2) Strategic Design. The SBR should include a description of the strategic design of the project as evidence of a well-thought-out analysis of operations.

3) Measurable Improvements Expected in UI Operations. The request should identify the areas in which services could be improved through implementation of the proposed project. Measurable improvements may include accomplishing necessary work using fewer steps, doing work more quickly, incorporating work steps which are not currently accomplished, or reducing the amount of error which presently occurs in the work product.

4) Supporting Materials. States may attach any additional materials which they believe will enhance the content of the SBR.

VIII. ASSURANCES

The State administrator, by signing the SQSP Signature Page, certifies that the state will comply with the following assurances, and that the state will institute plans or measures to comply with the following requirements. A facsimile of the Signature Page appears in Appendix I. The assurances are identified and explained in Paragraphs A. through K. below.

A. Assurance of Equal Opportunity (EO). As a condition to the award of financial assistance from ETA, the state must assure that the operation of its program, and all agreements or arrangements to carry out the programs for which assistance is awarded, will comply with the following laws:

- Title VI of the Civil Rights Act of 1964, as amended;
- Sections 504 and 508(f) of the Rehabilitation Act of 1973, as amended;
- Age Discrimination Act (ADA) of 1975, as amended,
- Section 188 of the Workforce Investment Act; and
- Title IX of the Education Amendments of 1972, as amended

Further, the state must assure that it will establish and adhere to Methods of Administration that give a reasonable guarantee of compliance with the above equal opportunity and nondiscrimination laws and regulations regarding the program services it provides and in its employment practices. These Methods of Administration must, at a minimum, include the following:

1. Designation of an Equal Opportunity Officer. The state must designate a senior-level individual to coordinate its EO responsibilities. The person designated must report to the top official on equal opportunity and nondiscrimination matters and be assigned sufficient staff and resources to ensure the capability to fulfill the agency's equal opportunity and nondiscrimination obligations.

2. Equal Opportunity Notice and Communication. The state must take affirmative steps to prominently display the *Equal Opportunity is the Law* poster in all of its facilities and inform applicants for programs, participants, applicants for employment, and employees:

a. that the state does not discriminate in admission, access, treatment, or employment; and
b. of their right to file a complaint and how to do so.

Other than the *Equal Opportunity is the Law* poster, methods of notification of this information may include placement of notices in offices and publication of notices in newsletters, newspapers, or magazines.

3. Assurances. The state must develop and implement procedures for transferring nondiscrimination and EO obligations in sub-contracts and sub-agreements.

4. Universal Access. The state must take appropriate steps to ensure that they are providing universal access to their programs. These steps should include reasonable efforts to include members of both sexes, various racial and ethnic groups, individuals with disabilities and individuals in differing age groups.

5. Compliance with Section 504. The state must take the necessary measures to ensure access to its programs and facilities for persons with disabilities, as well as make certain communication with persons with disabilities is as effective as that with others.

6. Data Collection and Recordkeeping. The state must collect such data and maintain such records in accordance with procedures prescribed by the Director of the U.S. Department of Labor's Civil Rights Center. These characteristics data (e.g., race, sex, national origin, age, disability) are utilized to determine whether the state and its local office are in compliance with Federal nondiscrimination and equal opportunity statutes and regulations.

7. Monitoring. The state must establish a system for periodically monitoring the delivery of program services for compliance.

8. Discrimination Complaint Procedures. The state must develop and follow procedures for handling complaints of discrimination covering all of the regulations applicable to it as a recipient of Federal financial assistance.

9. Corrective Actions and Sanctions. The state must establish procedures for taking prompt corrective action regarding any noncompliance finding relating to the administration, management, and operation of its programs and activities.

B. Assurance of Administrative Requirements and Allowable Cost Standards. The State must comply with administrative requirements and cost principles applicable to grants and cooperative agreements as specified in 20 CFR Part 601 (Administrative Procedure), 29 CFR Part 93 (Lobbying Prohibitions), 29 CFR Part 96 and Part 99 (Audit Requirements), 29 CFR Part 97 (Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments), and OMB Circular A-87 (Revised), 2 CFR 225 (Cost Principles for State, Local, and Indian Tribal Governments), and with administrative requirements for debarment and suspension applicable to sub-grants or contracts as specified in 29 CFR Part 98 (Debarment and Suspension). The state assures that state staff will attend mandatory meetings and training sessions, or return unused funds.

States that have subawards to organizations covered by audit requirements of 29 CFR Part 99 (Audit of States, Local Governments, and Non-Profit Organizations) must (1)

ensure that such subrecipients meet the requirements of that circular, as applicable, and (2) resolve audit findings, if any, resulting from such audits, relating to the UI program.

The state also assures that it will comply with the following specific administrative requirements:

1. **Administrative Requirements**

a. Program Income. Program income is defined in 29 CFR 97.25 as gross income received by a grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. States may deduct costs incidental to the generation of UI program income from gross income to determine net UI program income. UI program income shall be added to the funds committed to the grant by ETA. The program income must be used only as necessary for the proper and efficient administration of the UI program. Any rental income or user fees obtained from real property or equipment acquired with grant funds from prior awards shall be treated as program income under this grant.

b. Budget Changes. Except as specified by terms of the specific grant award, ETA, in accordance with regulations, waives the requirements in 29 CFR 97.30(c)(1)(ii) that states obtain prior written approval for certain types of budget changes.

c. Real Property Acquired with Reed Act Funds. The requirements for real property acquired with Reed Act or other non-Federal funds and amortized with UI grants are in UIPL 39-97, dated September 12, 1997; 29 CFR 97.31, to the extent amortized with UI grants; TEGL 7-04, Issues Related to Real Property Used for ETA Program Purposes; and in TEGL 3-07, Transfers of Federal Equity in State Real Property to the States, dated August 1, 2007.

d. Equipment Acquired with Reed Act Funds. The requirements for equipment acquired with Reed Act or other non-Federal funds and amortized with UI grants are in UIPL 39-97, and UIPL 39-97 Changes 1 and 2, and in 29 CFR 97.31, to the extent amortized with UI grants.

e. Real Property, Equipment, and Supplies

1) Real property, equipment, and supplies acquired under prior awards are transferred to this award and are subject to the relevant regulations at 29 CFR
Part 97.

2) For computer systems and all associated components which were installed in states for the purpose of Regular Reports, BAM, and other UI

Activities, the requirements of 29 CFR Part 97 apply. The NO reserves the right to transfer title and issue disposition instructions in accordance with paragraph (g) of Federal regulations at 29 CFR 97.32. States also will certify an inventory list of system components which will be distributed annually by ETA.

2. Exceptions and Expansions to Cost Principles. The following exceptions or expansions to the cost principles of OMB Circular No. A-87 (Revised) are applicable to states:

a. Employee Fringe Benefits. As an exception to OMB Circular A-87 (Revised) with respect to personnel benefit costs incurred on behalf of state employees who are members of fringe benefit plans which do not meet the requirements of OMB Circular No. A-87 (Revised), Attachment B, item 11, the costs of employer contributions or expenses incurred for state fringe benefit plans are allowable, provided that:

1) For retirement plans, all covered employees joined the plan before October 1, 1983; the plan is authorized by state law; the plan was previously approved by the Secretary; the plan is insured by a private insurance carrier which is licensed to operate this type of plan in the applicable state; and any dividends or similar credits because of participation in the plan are credited against the next premium falling due under the contract.

2) For all state fringe benefit plans other than retirement plans, if the Secretary granted a time extension after October 1, 1983, to the existing approval of such a plan, costs of the plan are allowable until such time as the plan is comparable in cost and benefits to fringe benefit plans available to other similarly employed state employees. At such time as the cost and benefits of an approved fringe benefit plan are equivalent to the cost and benefits of plans available to other similarly employed state employees, the time extension will cease and the cited requirements of OMB Circular A-87 (Revised) will apply.

3) For retirement plans and all other fringe benefit plans covered in (1) and (2) of this paragraph, any additional costs resulting from improvements to the plans made after October 1, 1983, are not chargeable to UI grant funds.

b. UI Claimant's Court Appeals Costs. To the extent authorized by state law, funds may be expended for reasonable counsel fees and necessary court costs, as fixed by the court, incurred by the claimant on appeals to the courts in the following cases:

1) Any court appeal from an administrative or judicial decision favorable in whole or in part for the claimant;

2) Any court appeal by a claimant from a decision which reverses a prior decision in his/her favor;

3) Any court appeal by a claimant from a decision denying or reducing benefits awarded under a prior administrative or judicial decision;

4) Any court appeal as a result of which the claimant is awarded benefits;

5) Any court appeal by a claimant from a decision by a tribunal, board of review, or court which was not unanimous;

6) Any court appeal by a claimant where the court finds that a reasonable basis exists for the appeal.

c. Reed Act Distributions (1956-58, 1998). Payment from the state's UI grant allocations, made into a state's account in the Unemployment Trust Fund for the purpose of reducing charges against Reed Act funds. The use of UI grant allocations to restore Reed Act funds under Section 903(c)(2) of the Social Security Act, as amended by 42 U.S.C. 1103(c)(2) is limited to the Reed Act distributions made under Section 903(a) and (b) of the Social Security Act. These include the 1956-58 and 1998 Reed Act distributions. The use of UI grant allocations to restore Reed Act funds made under other distributions is not permitted.

In addition, the use of UI grant allocations to restore Reed Act funds is permitted only if the charges against the grant are allowable costs under OMB Circular A-87 and

1) The charges against Reed Act funds were for amounts appropriated, obligated, and expended for the acquisition of automated data processing installations or for the acquisition or major renovation of state-owned buildings, but not land; and

2) With respect to each acquisition or improvement of property, the payments are accounted for as credit against equivalent amounts of Reed Act funds previously withdrawn under the respective appropriation.

d. Prior Approval of Equipment Purchases. As provided for in OMB Circular No. A-87 (Revised), Attachment B, item 19, the requirement that grant recipients obtain prior approval from the Federal grantor agency for all purchases of equipment (as defined in 29 CFR 97.31) is waived and approval authority is delegated to the state administrator.

e. Federal Cash Transaction Report. The state is exempt from submission of the SF 272, Federal Transactions Report, and the SF 272A, Continuation Sheet, per 29 CFR 97.41 (c) discretion.

C. Assurance of Management Systems, Reporting, and Record Keeping. The state assures that:

1. Financial systems provide fiscal control and accounting procedures sufficient to permit timely preparation of required reports, and the tracing of funds to a level of expenditure adequate to establish that funds have not been expended improperly (29 CFR 97.20).

2. The financial management system and the program information system provide federally-required reports and records that are uniform in definition, accessible to authorized Federal and state staff, and verifiable for monitoring, reporting, audit, and evaluation purposes.

3. It will submit reports to ETA as required in instructions issued by ETA and in the format ETA prescribes.

4. It will retain all financial and programmatic records, supporting documents, and other required records at least three years as specified in 29 CFR 97.42(b).

5. The financial management system provides for methods to ensure compliance with the requirements applicable to procurement and grants as specified in 29 CFR Part 98 (Debarment and Suspension), and for obtaining the required certifications under 29 CFR 98.510(b) regarding debarment, suspension, ineligibility, and voluntary exclusions for lower tier covered transactions.

D. Assurance of Program Quality. The state assures that it will administer the UI program in a manner that ensures proper and efficient administration. "Proper and efficient administration" includes performance measured by ETA through Core measures, Management Information Measures (including Secretary's Standards), program reviews, and the administration of the UI program requirements.

E. Assurance on Use of Unobligated Funds. The state assures that non-automation funds will be obligated by December 31 of the following fiscal year, and liquidated within 90 days thereafter. ETA may extend the liquidation date upon written request. Automation funds must be obligated by end of the 3rd fiscal year, and liquidated within 90 days thereafter. ETA may extend the liquidation date upon written request. Failure to comply with this assurance may result in disallowed costs from audits or review findings.

Note. Travel costs for state agency personnel are considered obligated when the travel is actually performed.

F. Assurance of Prohibition of Lobbying Costs. The state assures and certifies that, in accordance with the DOL Appropriations Act(s), no UI grant funds will be used to pay salaries or expenses related to any activity designed to influence legislation or appropriations pending before the Congress of the United States. (29 CFR Part 93)

G. Drug-Free Workplace. The state assures and certifies that it will comply with the requirements at this part. (29 CFR Part 98)

H. Assurance of Contingency Planning. The state must establish, effectively implement, and maintain plans for emergency response, backup operations, and post-disaster recovery for the UI systems to ensure the availability of critical information resources and continuity of operations in emergency situations.

The state assures that, at a minimum, the following formally written and tested procedures of Contingency Planning are in place:

- procedures for sustaining essential business operations while recovering from a significant disruption.
- procedures and capabilities for recovering information technology (IT) system, such as a major application or general support system.
- procedures to facilitate recovery of capabilities at an alternate site.
- procedures and capabilities to sustain an organization's essential, strategic functions at an alternate site for up to 30 days.
- procedures for recovering business operations immediately following a disaster.
- procedures for disseminating status reports to personnel and the public.
- strategies to detect, respond to, and limit consequences of malicious cyber incident.
- procedures for minimizing loss of life or injury and protecting property damage in response to a physical threat.

The National Institute of Standards and Technology (NIST) provide guidelines for IT Contingency Planning. An overview of these guidelines is provided in Appendix IV. It is recommended that the state follow state or departmental guidelines for business related procedures, such as business continuity, continuity of operations, or business recovery after a disaster.

In the State Plan Narrative, Section H, *Assurances*, states are expected to provide the dates that their Information Technology (IT) Contingency Plan, System Security Plan, and Risk Assessment were implemented, tested, and reviewed/updated.

If a state does not have an IT Contingency Plan, System Security Plan, and Risk Assessment procedures in place or if these documents are incomplete, then the state is expected to address the actions it plans to take to meet these requirements in a CAP.

I. <u>Assurance of Conformity and Compliance</u>. The state assures that the state law will conform to, and its administrative practice will substantially comply with, all Federal UI law requirements, and that it will adhere to DOL directives.

J. <u>Assurance of Automated Information Systems Security</u>. The state must establish and implement an information security program. The state must ensure that it is providing adequate IT security and that it is commensurate to the level of risk associated with the UI program and the UI IT environment. The state must ensure that appropriate safeguards are put in place to protect both tangible and intangible resources and employees.

The state should develop, disseminate, and periodically review/update: (1) formal, documented policies for Risk Assessment and System Security Planning that address purpose, scope, roles, responsibilities, management commitment, coordination among all entities, and compliance; and (2) formal, documented procedures to facilitate the implementation of these policies and associated controls.

The state assures that it has the following Risk Assessment controls for UI systems in place:

1. Risk Assessments of the UI systems to assess the risk and magnitude of harm that could result from the unauthorized access, use, disclosure, disruption, modification, or destruction of information and other systems that support the operations and assets of the state.

2. Updates to the Risk Assessment at least once every three years or whenever there are significant changes to any of the UI systems, facilities where they reside, or other conditions that may affect the security status of the system.

3. Scans for vulnerabilities in the UI systems as deemed necessary or when significant new vulnerabilities potentially affecting the system are identified and reported.

The state assures that it has the following System Security Planning controls for UI systems in place:

1. A System Security Plan for the UI systems that provides an overview of the security requirements for the systems and a description of the security controls in place or planned for meeting those requirements. The plan should be approved by the officials designated by the state.

2. An annual review of the system security plan for the UI systems. Revisions to the plan should address system/organizational changes or problems identified during plan implementation and/or security control assessments.

3. A set of rules that describes users' responsibilities and expected behavior with regard to UI information and information system usage. A signed acknowledgement (Rules of Behavior) from users indicating that they have read, understood, and agreed to abide by a set of Rules of Behavior, before authorizing access to the information system and its resident information.

An overview of Risk Management and System Security Planning for an information system is provided in Appendix IV.

K. Assurance of Confidentiality. The state will keep confidential any business information, as defined at 29 CFR 90.33 and any successor provision(s), it obtains or receives in the course of administering the Trade Adjustment Assistance or Alternative Trade Adjustment Assistance programs under this Agreement. The state shall not disclose such information to any person, organization, or other entity except as authorized by applicable state and Federal laws.

IX. SQSP CONTENT CHECKLIST

The SQSP Content Checklist shows all the documents which comprise the entire SQSP listed by submittal and in order of assembly. Each state must ensure that those documents appropriate to its plan are submitted to minimize the potential for a delay in the approval and funding process.

A. Formal SQSP Submittal (biennial submittal)

AUGUST/SEPTEMBER SUBMITTAL (Main)

1. Transmittal Letter
2. The State Plan Narrative
    - A. Overview
    - B. Federal Emphasis (GPRA goals)
    - C. Program Review Deficiencies
        - (a) Federal Program Reviews (UCFE, UCX, etc.)
        - (b) BPC Reviews
        - (c) Internal Security Reviews
        - (d) Automation Grants
        - (e) BAM Requirement Deficiencies
            1) Organization
            2) Authority
            3) Written Procedures
            4) Format
            5) Sample Selection and Investigation
            6) Case Completion Timeliness
        - (f) TPS Requirement Deficiencies
        - (g) Other

D. Program Deficiencies
E. Reporting Requirements
F. Customer Service Surveys (optional)
G. Other
H. Assurances

3. CAPs
   Deficient Core Performance
   Deficient Secretary's Standards
   UI Program Deficiencies
   Conspicuously Poor Performance of Management Information Measures
4. UI Program Integrity Action Plan
5. Budget Worksheets/Forms
   SF 424, SF 424 (A) & (B) - Application for Federal Assistance (as necessary)
6. Organization Chart
7. Signature Page

OCTOBER SUBMITTAL
UI-1 - UI Staff Hours

B. SQSP Lite (annual submittal)

AUGUST/SEPTEMBER SUBMITTAL (Main)

1. Transmittal Letter
2. State Plan Narrative only if modifications are necessary
3. CAPs:
   - **New CAPs for:**
     - On-site reviews that identifies a need for corrective action
     - New performance deficiencies identified during the most recent performance year
     - Other performance deficiencies identified in the SQSP UIPL
   - **Modifications to existing CAPs for:**
     - Missed milestones
     - Other
4. Modifications/Updates to UI Program Integrity Action Plan
5. Budget Worksheets/Forms
   SF 424, SF 424 (A) & (B) - Application for Federal Assistance (as necessary)
6. Organization Chart
7. Signature Page

OCTOBER SUBMITTAL
UI-1 - UI Staff Hours

<u>SBR SUBMITTAL</u> (Only when solicited by DOL)

1. Transmittal Letter
2. Budget Worksheets/Forms
   SF 424, SF 424 (A) & (B) - Application For Federal Assistance
3. Supporting Documentation
   Summary
   Commitment to Complete Project
   Schedule
   Description of Proposed Fund Usage
   Amount of Funding Requested
   Expenditures
4. Additional SBR Documentation (Law Change SBRs only)
   Bill Number and Effective Date
   Relevant Provisions
   Costs & Narrative by Legislative Provision
   UI only Statement
5. Optional Supplementary Items (Large-scale, Complex Projects)
   Technical Approach
   Strategic Design
   Measurable Improvements Expected
   Supporting Materials

CHAPTER II - REPORTING

I. INTRODUCTION

Chapter II of the SQSP Handbook provides guidelines for the reports and data elements to be used for financial reporting of state UI program activities.

II. SUBMITTAL INSTRUCTIONS

A Use of Computer Printouts in Lieu of Prescribed Forms. States may submit financial report information on computer printouts instead of the ETA 9130, SF 270 and SF 424. However, such printouts must contain the identical information and format as the report forms, including the certification and authorized signature blocks, and must adhere to submittal requirements described below.

B. Electronic Submittal. States submit the UI-3 and the UI-1 worksheet through UIRR. This ensures that the reported data are consistent. UIRR makes output reports available for review and correction before electronic transmission to the NO. In addition, electronic submittal is available for the ETA 9130 via the Enterprise Business Support System.

States submit standard forms (e.g., SF 424), to the ETA regional office (RO); however, SBR information is submitted directly to the NO. The NO electronically receives UIRR and ETA 9130 reports, which the ROs also may access.

C. Due Dates. The UI-3 worksheet is due within 30 days after the end of the reporting quarter. The ETA 9130 is due 45 days after the end of the reporting quarter. The request form, SF 270, is a voluntary report.

D. Program Management Systems (PMS) Document Numbers. The following is an example of a list of PMS Document Numbers that the NO will use to issue obligational authority and that states will use for the ETA 9130 and when drawing cash. Additional line items may be necessary depending on the funding being directed to the state agency. Definitions of program categories on the UI-3 are provided in Section IV, Paragraph H, Time Distribution Definitions.

PROGRAM	PMS DOCUMENT NO.
UI State Administration	UIxxxxxxx0
UI National Activities	UIxxxxxxx0
TAA Benefits	UIxxxxxxx0
ATAA Benefits	UIxxxxxxx0
Disaster Unemployment Assistance (DUA) Administration	UIxxxxxxx0
Disaster Unemployment Assistance (DUA) Benefits	UIxxxxxxx0

NOTE. ETA code numbers are assigned to each separate DUA disaster when funds are provided to the states.

III. REPORTS

Facsimiles of the forms and completion instructions can be found in Appendix II. Additionally, standard forms may be downloaded from www.whitehouse.gov/omb/grants/index.html and the ETA 9130 form and instructions may be downloaded from www.doleta.gov/grants/docs/ETA-9130-ESandUI.pdf.

A. UI-3, Quarterly UI Above-base Report

1. Purpose. This report provides information to ETA on the number of staff years worked and paid for various UI program categories, and provides the basis for determining above-base entitlements.

2. Reporting Instructions. States are required to report the number of quarterly staff years worked and paid and the number of year-to-date staff years paid. ETA does not prescribe the type of time distribution reporting system used by states to generate the required data. However, the system used must be capable of providing data in the required detail, and the data must fairly and accurately represent the utilization of staff years. Data must be traceable to supporting documentation, e.g., time distribution and cost reports. States using sampling, allocation, and estimating techniques to spread actual hours to the UI programs must have documentation describing the techniques and procedures being used.

3. Report Completion Instructions. States are to enter only data which cannot be obtained elsewhere in UIRR or calculated from existing data.

B. ETA 9130, Financial Status Report. This report is an ETA form, designed to substitute for the SF269 data collection, which is prescribed for use by OMB Circular No. A-102, and by Department of Labor regulations at 29 CFR 97.41(b). A separate ETA 9130 is submitted each quarter for each fiscal year of funds (including the current fiscal year), until such time as all unliquidated obligations (resources on order) have been liquidated and a final ETA 9130 is submitted. States submit a final ETA 9130 when all financial activity has ceased and the unobligated balance is zero, and the following equation is satisfied: obligational authority = accrued expenditures = cash received.

ETA is requiring states to report administrative expenditures on the accrued expenditure basis, per 29 CFR 97.41(b)(2). The ETA 9130 submitted for TAA and ATAA and DUA benefits (if funds are issued to state) payments must report them on the cash basis, i.e., actual cash benefits paid during the reporting period.

ETA 9130s are to be submitted for each line item for which the state agency has been issued obligation authority. This may include, but is not limited to, the following:

- Unemployment Insurance State Administration. All UI administrative funds are to be included on the ETA 9130, including funds for TAA and ATAA benefits administration, but excluding UI National Activities and cooperative agreements. UI program income and associated costs also must be reported on the ETA 9130. On line 12 (Remarks), enter accrued expenditures (quarter) and obligations (year-to-date) separately according to staff costs and NPS costs. Expenditures/obligations must reflect charges against only current year funds. Charges against prior year funds (including carry-over funds) are to be reflected on the separate ETA 9130 for that year.

- UI National Activities. (Separate for each year)

- DUA Benefits and Administration (Separate for each year)

- TAA Benefits. (Separate for each year)

- ATAA Benefits. (Separate for each year)

C. SF 270, Request for Advance or Reimbursement. This report is a government-wide standard form prescribed for use by OMB Circular No. A-102, and by Department of Labor Regulations at 29 CFR 97.41(d). This is a voluntary report which states may use to request above-base advances.

IV. DEFINITIONS

A. Accrued Expenditures. This term is defined in 29 CFR 97.3 as "charges incurred by the grantee during a given period requiring the provision of funds for (1) goods and other tangible property received; (2) services performed by employees, contractors, subgrantees, subcontractors, and other payees; and (3) other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments."

The term "Outlays" on the ETA 9130 has the same meaning as accrued expenditures under the accrual basis of reporting.

B. Funding Period. Non-automation funds must be obligated by December 31 of the following fiscal year, and liquidated within 90 days thereafter. ETA may extend the liquidation date upon written request. Automation funds must be obligated by the end of the 3rd fiscal year, and liquidated within 90 days thereafter. ETA may extend the liquidation date on written request. The annual SQSP UIPL will specify the specific funding period for the plan period and any special provisions contained in the appropriation language.

C. <u>Obligations</u>. Obligations are the sum of outlays and unliquidated obligations (resources on order).

Guidelines for establishing obligations in the UI program are listed below:

1. Obligations must be intended to meet a bona fide need of the funding period in which the need arises, or to replace stock used in the funding period. To comply with this guideline, purchase orders, requisitions, and contracts recorded as obligations must be firm, complete, and must request prompt delivery of materials or services. Do not include in the amounts reported as obligations administrative reservations, such as reservations for contemplated procurements in the form of requisitions within the state, invitations for bids, or any other similar arrangements.

2. Where an obligation is definite but the precise amount is not known, it may be estimated.

3. States must obligate allocations for regular operations of the UI program -- whether base or above-base funded -- as specified in paragraph IV.B. above.

4. Generally, obligations should be supported by a valid purchase order or other binding agreement, in writing, between the parties, for goods to be delivered or services to be performed. Purchase orders are to be included only to the extent that their issuance, together with previous or subsequent action by the other party, constitutes an offer and acceptance that has become a binding agreement. Such orders (and requisitions) may not be regarded as issued as long as they remain within the control of the issuing agency.

5. If the state issues purchase orders directly to a vendor, obligations must be recorded and reported on the basis of the purchase orders.

6. For purchases placed with another state agency which are required by state law or regulation, an exception is made to the requirement for supporting a transaction by a valid purchase order or binding agreement in writing. Where the state law or regulations mandatorily require the state agency to procure the specific materials, requisitions of state agencies may be treated as purchase orders, and obligations must be recorded and reported on the basis of the requisitions issued to the central procurement agency.

7. When procurement from a central procurement agency is optional, obligations may be recorded on the basis of requisitions issued by the state, provided (a) there is documentary evidence (such as a store stock catalog) that the items are normally stocked, and (b) the requisition is for a bona fide need of the funding period in which the need arises, or it is for replacement of stock used in the funding year. When items or services are ordered through a central procurement agency with delivery to the state direct from the vendor, obligations must be recorded on the basis of purchase orders issued by the central agency.

D. <u>Unliquidated Obligations</u>. This term on the ETA 9130, for reports prepared on an

accrued expenditure basis, is defined in 29 CFR 97.3 as “the amount of obligations incurred by the grantee for which an outlay has not been recorded.” The term "unliquidated obligations” has the same meaning as "resources on order” had in the past. States must report valid unliquidated obligations on the ETA 9130 for the UI program.

States should periodically review unliquidated obligation amounts to determine their validity. Obligations must not be carried on the state agency's books unless the agency is reasonably certain that payment of the obligation will be required at a later date.

Federal regulations at 29 CFR 97.23(b) require that states must liquidate all obligations incurred under a grant not later than 90 days after the end of the funding period (see paragraph IV.B. above) unless extended by the Federal agency at the request of the grantee. Thus, states must obtain written approval from ETA to retain unliquidated non-automation acquisition obligations beyond 6 months after the end of the fiscal year or automation acquisition obligations beyond two years and 90 days after the end of the fiscal year. State requests for extension of the deadline for expending funds must be in writing and executed prior to the regular deadlines for fund expenditure.

E. Automation Acquisition. The term “automation acquisition” is defined as the costs of goods and services directly related to the automation of UI operations. Automation goods consist of computers and their peripheral and auxiliary equipment and associated software. Automation data processing services are those services necessary to support the acquisition of those ADP goods. The term does not include maintenance and other costs relating to current operations and services.

Given the fast pace of technological developments, the list of products covered by this definition will change with time; therefore, no definitive list can be provided. The following list is illustrative of what is meant by the definition, but is not all-inclusive:

1. Hardware. Central processing units; front-end processing units; minicomputers; microcomputers and related peripheral equipment, such as data storage devices, document scanners, data entry equipment, terminal controllers, and data terminal equipment; computer-based word processing systems other than memory typewriters; equipment and systems for computer networks; equipment and systems for communications, which includes voice, radio, images, optical, data, and video; related items such as switchboards, PBX units, multiplexers, FAX, modems, digital computer service units, channel service units, channel extenders, protocol converters, VSAT, satellite, encryption and voice response units.

2. Software. Programs and routines used to employ and control the capabilities of automated and communication systems such as operating systems, compilers, assemblers, utilities, library routines, maintenance routines, applications, converters, conversion routines, knowledge-based systems, artificial intelligence systems, decision support systems, executive information systems, security and encryption, and networking programs.

3. Services. One-time costs for staff, service bureaus, or contract services directly related to the initial acquisition of automation systems, including those relating to feasibility studies, systems design, application software security and system development; and the transportation, installation, training, and maintenance of such items which directly relate to the initial acquisition.

F. PMS Document Numbers. Because some states have moved to accounting systems other than the Cost Accounting System (CAS), ETA established uniform accounting codes for use by all states in reporting back to ETA. While the uniform codes are based on the current CAS fund ledger code structure, non-CAS users may establish whatever account/code classification system they wish to use in their accounting systems. However, the ETA 9130s submitted to ETA must contain the PMS Document Number(s) issued under the UI Annual Funding Agreement, and they must be used in identifying cash drawdowns by program through the Department of Health and Human Service's Payment Management System.

G. Time Distribution Definitions. The definitions of the UI program categories contained in the UI base allocations and Quarterly Financial Report (UI-3) are a combination of UI functions previously defined in ET Handbook No. 362 (State Accounting Manual), Volume II, Chapter IV. The following reflects the program categories used on the UI-3 worksheet and the CAS time distribution functions and codes:

UI-3

Associated Time Distribution Functional Activity Codes (under Project Code 210 unless otherwise stated)

Claims Activities

Initial Claims (200)
Weeks Claimed (Includes ERP) (200)
Nonmonetary Determinations (230)
Multi-claimant Services (238)
Appeals (240)

Employer Activities

Wage Records (260)
Tax (Includes Tax Travel) (300)

UI PERFORMS

UI Performs (Function 461 and/or Project Code 213)

UI Support/AS&T

Benefits/Appeals Travel (235)
Benefit Payment Control (270)
UI Support (400)
Internal Security (459)
Interstate Activities (460)
AS&T (100, 120, 150)

TAA and ATAA Benefit Administration (Project Code 219)

Use only Claims Activities codes 200, 230, 238, and 240 (see above) under Project Code 219)

Other

Reserved for special categories

APPENDIX I

PLANNING FORMS AND FORMATS

CORRECTIVE ACTION PLAN

State: _____	Federal Fiscal Years: _____ *(ex. FY 2015 – FY 2016)*	MEASURE/PROGRAM AREA: _____ *(Use descriptors contained in Appendix III of the SQSP Handbook)*

Current Performance Level:	Projected Performance Levels:							
_____	_____	_____	_____	_____	_____	_____	_____	_____
(as of 3/31 or most recent performance)	*(12/31/__)*	*(3/31/__)*	*(6/30/__)*	*(9/31/__)*	*(12/31/__)*	***(3/31/__)***	*(6/30/__)*	*(9/30/__)*

SUMMARY:

Provide:

A. The reason(s) for the deficiency;
B. A description of the actions/activities which will be undertaken to improve performance and;
C. If a plan was in place the previous fiscal year, an explanation of why the actions contained in that plan were not successful in improving performance, and an explanation of why the actions now specified will be more successful; and
D. A brief description of plans for monitoring and assessing accomplishment of planned actions and for controlling quality after achieving performance goals.

If the desired improvement will not be accomplished by the end of the current fiscal years (the two consecutive fiscal years for which the plan is in effect), also indicate the major actions remaining to be taken in subsequent fiscal years, and a projection as to when the performance goal will be achieved.

MILESTONES: (Number sequentially)	**Completion Date***							
	12/31	***03/31***	***06/30***	***09/30***	***12/31***	***03/31***	***06/30***	***09/30***
Milestones should be established for each core element of the state's corrective action plan and be of sufficient number and frequency to facilitate state and regional plan oversight and assessment during the fiscal year(s). It is anticipated that one or more milestones for each quarter would permit such progress tracking and assessment during the fiscal year(s) through state and regional follow-up schedules. States also may wish to identify performance milestones that reflect the performance level they anticipate will result from completion of planned activities. {} If continued, check box								

* States should use a √ to indicate the quarter the milestone is expected to be completed

Unemployment Insurance Program Integrity Action Plan

State: (*Name of state*)	**Federal Fiscal Year: (*SQSP Planning Year*)**
Root Causes: **(*List top three of the root causes in the state*.)**	
Accountable Agency Official(s): (*List the person accountable for reducing UI improper payments*) **Summary: (*Provide a summary of the plan that the state has designed. The summary should include outreach efforts planned by the agency to inform all UI and workforce staff, and employers of the strategic plan to ensure everyone understands the importance of maintaining program integrity.)***	

Strategies	**Actions**	**Targets and Milestones**	**Resources**
List the strategies that the state is taking to address UI improper payments.	List the specific action steps for each strategy that the state is taking.	This section should be divided into target and milestones. Specific milestones should be set for each of the actions. It is suggested that the milestones be set quarterly under each target.	Provide a description of the type of resources, e.g. human capital, technology and other tools that have been designated to address the state's UI improper payments.

STATE PLAN NARRATIVE OUTLINE

STATE PLAN NARRATIVE

(State Name – Fiscal Years xxxx and xxxx)

A. Overview

1. State priorities and the strategic direction the state has adopted to ensure continuous improvement.
2. Assessment of past performance and expected future performance. Includes, at state discretion, a discussion of external factors that may have performance implications.
3. Coordination with other plans.

B. Federal emphasis (GPRA goals)

1. State performance compared to the GPRA goals.
2. Actions planned to achieve GPRA goals and targets.

C. Program Review Deficiencies

1. Causes for failures to conduct required reviews/activities, e.g., Benefit Payment Control, Internal Security, Benefit Accuracy Measure, and Tax Performance System.
2. Plans to conduct the reviews as required.

D. Program Deficiencies

Plans to correct deficiencies identified through required program reviews, e.g., deficiencies identified during an internal security review.

E. Reporting Deficiencies

Actions planned to correct reporting deficiencies. Reporting deficiencies are defined as missing reports, reports submitted late more than 50 percent of the time (7 of 12 months for monthly reports; 3 of 4 quarters for quarterly reports), and annual reports submitted late 3 consecutive years.

F. Customer Service Surveys (optional)

G. Other (e.g., approach to maintaining solvency, requests for technical assistance)

H. Assurances:

a. Assurance of Equal Opportunity (EO).
b. Assurance of Administrative Requirements and Allowable Cost Standards.
c. Assurance of Management Systems, Reporting, and Recordkeeping.
d. Assurance of Program Quality.
e. Assurance on Use of Unobligated Funds.
f. Assurance of Prohibition of Lobbying Costs (29 CFR Part 93).
g. Drug-Free Workplace (29 CFR Part 98).
h. Assurance of Contingency Planning.
   Provide the most recent dates for the following:
   - Information Technology (IT)Contingency Plan Implemented: _____
   - IT Contingency Plan Reviewed/Updated2: _____
   - IT Contingency Plan Tested3: _____
i. Assurance of Conformity and Compliance.
j. Assurance of Automated Information Systems Security.
   Provide the most recent dates for the following:
   - Risk Assessment Conducted4: _____
   - System Security Plan Reviewed/Updated5: _____
k. Assurance of Confidentiality

Public reporting burden for this collection of information is estimated to average 4 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of Unemployment Insurance, Room S-4231, 200 Constitution Ave., NW, Washington, DC, 20210

2 At a minimum, an IT Contingency Plan must be reviewed and/or updated annually.
3 At a minimum, an IT Contingency Plan must be tested annually.
4 At a minimum, a Risk Assessment should be conducted once every three (3) years.
5 At a minimum, a System Security Plan must be reviewed and/or updated annually.

U.S. Department of Labor

SQSP SIGNATURE PAGE

OMB Approval No. 1205-0132 Expires 10/31/2014

U.S. DEPARTMENT OF LABOR Employment and Training Administration	**FEDERAL FISCAL YEAR**	**STATE**
UNEMPLOYMENT INSURANCE STATE QUALITY SERVICE PLAN SIGNATURE PAGE		
This Unemployment Insurance State Quality Service Plan (SQSP) is entered into between the Department of Labor, Employment and Training Administration, and _____ **(STATE'S NAME)** The Unemployment Insurance SQSP is part of the State's overall operating plan and, during this Federal fiscal year, the State agency will adhere to and carry out the standards set forth in Federal UI Law as interpreted by the DOL, and adhere to the Federal requirements related to the use of granted funds. All work performed under this agreement will be in accordance with the assurances and descriptions of activities as identified in the SQSP Handbook and will be subject to its terms.		
TYPED NAME AND TITLE	**SIGNATURE**	**DATE**
STATE ADMINISTRATOR		
DOL APPROVING OFFICIAL		
DOL APPROVING OFFICIAL (if required)		

WORKSHEET UI-1

U.S. DEPARTMENT OF LABOR
Employment and Training Administration

Exp. Date 10/31/2014
OMB Approval #1205-0132

WORKSHEET UI-1	UI STAFF HOURS	
State	Fiscal Year	Date

Annual Hours Per Staff Year and Quarterly Distribution

Hours Per Staff Year	**Annual**	**First**	**Second**	**Third**	**Fourth**
a. Hours Worked					
b. Hours Paid					

Comments

ETA 8623A

INSTRUCTIONS FOR THE UI-1

OMB No.: 1205-0132 OMB Expiration Date: 10/31/2014 Estimated Average Response time: 1 hour

OMB Burden Statement: These reporting instructions have been approved under the Paperwork reduction Act of 1995. Persons are not required to respond to this collection of information unless it displays a valid OMB control number. Public reporting burden for this collection of information includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Submission is required to obtain or retain benefits under SSA 303(a)(6). Persons responding to this collection have no expectation of confidentiality. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of Unemployment Insurance, Room S-4519, 200 Constitution Ave., NW, Washington, DC, 20210.

Please type or print legibly. The following general instructions explain how to use the form itself.

Item	Entry
a.	Enter the annual staff year hours worked and distribution by quarter. The annual hours for this item must equal the annual hours worked from the planning targets.
b.	Enter the annual staff year hours paid and distribution by quarter. The annual hours for this item must equal the annual hours for the number of standard hours.

View Burden Statement

OMB Number: 4040-0004
Expiration Date: 8/31/2016

Application for Federal Assistance SF-424

* 1. Type of Submission:	* 2. Type of Application:	* If Revision, select appropriate letter(s):
☐ Preapplication	☐ New	
☐ Application	☐ Continuation	* Other (Specify):
☐ Changed/Corrected Application	☐ Revision	

* 3. Date Received:	4. Applicant Identifier:

5a. Federal Entity Identifier:	5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:	7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name:

* b. Employer/Taxpayer Identification Number (EIN/TIN):	* c. Organizational DUNS:

d. Address:

* Street1:
Street2:
* City:
County/Parish:
* State:
Province:
* Country: USA: UNITED STATES
* Zip / Postal Code:

e. Organizational Unit:

Department Name:	Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: * First Name:
Middle Name:
* Last Name:
Suffix:

Title:

Organizational Affiliation:

* Telephone Number: Fax Number:

* Email:

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

11. Catalog of Federal Domestic Assistance Number:

CFDA Title:

*** 12. Funding Opportunity Number:**

* Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment | Delete Attachment | View Attachment

*** 15. Descriptive Title of Applicant's Project:**

Attach supporting documents as specified in agency instructions.

Add Attachments | Delete Attachments | View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant * b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment | Delete Attachment | View Attachment

17. Proposed Project:

* a. Start Date: * b. End Date:

18. Estimated Funding ($):

* a. Federal
* b. Applicant
* c. State
* d. Local
* e. Other
* f. Program Income
* g. TOTAL

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on .

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☐ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

☐ Yes ☐ No

If "Yes", provide explanation and attach

Add Attachment | Delete Attachment | View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

☐ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name:

Middle Name:

* Last Name:

Suffix:

* Title:

* Telephone Number: Fax Number:

* Email:

* Signature of Authorized Representative: * Date Signed:

2 The SF-424 form is available at http://apply07.grants.gov/apply/forms/sample/SF424_2_1-V2.1.pdf

INSTRUCTIONS FOR THE SF-424

Public reporting burden for this collection of information is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0043), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

This is a standard form (including the continuation sheet) required for use as a cover sheet for submission of preapplications and applications and related information under discretionary programs. Some of the items are required and some are optional at the discretion of the applicant or the Federal agency (agency). Required items are identified with an asterisk on the form and are specified in the instructions below. In addition to the instructions provided below, applicants must consult agency instructions to determine specific requirements.

Item	Entry:	Item	Entry:
1.	**Type of Submission:** (Required): Select one type of submission in accordance with agency instructions. • Preapplication • Application • Changed/Corrected Application – If requested by the agency, check if this submission is to change or correct a previously submitted application. Unless requested by the agency, applicants may not use this to submit changes after the closing date.	10.	**Name Of Federal Agency**: (Required) Enter the name of the Federal agency from which assistance is being requested with this application.
		11.	**Catalog Of Federal Domestic Assistance Number/Title:** Enter the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested, as found in the program announcement, if applicable.
2.	**Type of Application**: (Required) Select one type of application in accordance with agency instructions. • New – An application that is being submitted to an agency for the first time. • Continuation - An extension for an additional funding/budget period for a project with a projected completion date. This can include renewals. • Revision - Any change in the Federal Government's financial obligation or contingent liability from an existing obligation. If a revision, enter the appropriate letter(s). More than one may be selected. If "Other" is selected, please specify in text box provided. A. Increase Award B. Decrease Award C. Increase Duration D. Decrease Duration E. Other (specify)	12.	**Funding Opportunity Number/Title:** (Required) Enter the Funding Opportunity Number and title of the opportunity under which assistance is requested, as found in the program announcement.
		13.	**Competition Identification Number/Title:** Enter the Competition Identification Number and title of the competition under which assistance is requested, if applicable.
		14.	**Areas Affected By Project:** List the areas or entities using the categories (e.g., cities, counties, states, etc.) specified in agency instructions. Use the continuation sheet to enter additional areas, if needed.
3.	**Date Received:** Leave this field blank. This date will be assigned by the Federal agency.	15.	**Descriptive Title of Applicant's Project:** (Required) Enter a brief descriptive title of the project. If appropriate, attach a map showing project location (e.g., construction or real property projects). For preapplications, attach a summary description of the project.
4.	**Applicant Identifier:** Enter the entity identifier assigned buy the Federal agency, if any, or the applicant's control number if applicable.		
5a.	**Federal Entity Identifier**: Enter the number assigned to your organization by the Federal Agency, if any.	16.	**Congressional Districts Of**: (Required) 16a. Enter the applicant's Congressional District, and 16b. Enter all District(s) affected by the program or project. Enter in the format: 2 characters State Abbreviation – 3 characters District Number, e.g., CA-005 for California 5th district, CA-012 for California 12th district, NC-103 for North Carolina's 103rd district. • If all congressional districts in a state are affected, enter "all" for the district number, e.g., MD-all for all congressional districts in Maryland. • If nationwide, i.e. all districts within all states are affected, enter US-all. • If the program/project is outside the US, enter 00-000.
5b.	**Federal Award Identifier**: For new applications leave blank. For a continuation or revision to an existing award, enter the previously assigned Federal award identifier number. If a changed/corrected application, enter the Federal Identifier in accordance with agency instructions.		
6.	**Date Received by State:** Leave this field blank. This date will be assigned by the State, if applicable.		
7.	**State Application Identifier:** Leave this field blank. This identifier will be assigned by the State, if applicable.		
8.	**Applicant Information**: Enter the following in accordance with agency instructions:		
	a. Legal Name: (Required): Enter the legal name of applicant that will undertake the assistance activity. This is ththat the organization has registered with the Central Contractor Registry. Information on registering with CCR may be obtained by visiting the Grants.gov website.	17.	**Proposed Project Start and End Dates**: (Required) Enter the proposed start date and end date of the project.
	b. Employer/Taxpayer Number (EIN/TIN): (Required): Enter the Employer or Taxpayer Identification Number (EIN or TIN) as assigned by the Internal Revenue Service. If your organization is not in the US, enter 44-4444444.	18.	**Estimated Funding:** (Required) Enter the amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions should be included on appropriate lines, as applicable. If the action will result in a dollar change to an existing award, indicate only the amount of the change. For decreases, enclose the amounts in parentheses.

	c. Organizational DUNS: (Required) Enter the organization's DUNS or DUNS+4 number received from Dun and Bradstreet. Information on obtaining a DUNS number may be obtained by visiting the Grants.gov website.	19.	**Is Application Subject to Review by State Under Executive Order 12372 Process?** Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process. Select the appropriate box. If "a." is selected, enter the date the application was submitted to the State.
	d. Address: Enter the complete address as follows: Street address (Line 1 required), City (Required), County, State (Required, if country is US), Province, Country (Required), Zip/Postal Code (Required, if country is US).	20.	**Is the Applicant Delinquent on any Federal Debt?** (Required) Select the appropriate box. This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes. If yes, include an explanation on the continuation sheet.
	e. Organizational Unit: Enter the name of the primary organizational unit (and department or division, (if applicable) that will undertake the assistance activity, if applicable. **f. Name and contact information of person to be contacted on matters involving this applicat** required), organizational affiliation (if affiliated with an organization other **on**: Enter the name (First and last name than the applicant organization), telephone number (Required), fax number, and email address (Required) of the person to contact on matters related to this application.	21.	**Authorized Representative**: (Required) To be signed and dated by the authorized representative of the applicant organization. Enter the name (First and last name required) title (Required), telephone number (Required), fax number, and email address (Required) of the person authorized to sign for the applicant. A copy of the governing body's authorization for you to sign this application as the official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)
9.	Type of Applicant: (Required) Select up to three applicant type(s) in accordance with agency instructions. A. State Government B. County Government C. City or Township Government D. Special District Government E. Regional Organization F. U.S. Territory or Possession G. Independent School District H. Public/State Controlled Institution of Higher Education I. Indian/Native American Tribal Government (Federally Recognized) J. Indian/Native American Tribal Government (Other than Federally Recognized) K. Indian/Native American Tribally Designated Organization L. Public/Indian Housing Authority M. Nonprofit N. Nonprofit O. Private Institution of Higher Education P. Individual Q. For-Profit Organization (Other than Small Business) R. Small Business S. Hispanic-serving Institution T. Historically Black Colleges and Universities (HBCUs) U. Tribally Controlled Colleges and Universities (TCCUs) V. Alaska Native and Native Hawaiian Serving Institutions W. Non-domestic (non-US) Entity X. Other (specify)		

SF-424A Budget Information Non-Construction Programs [3]

View Burden Statement

BUDGET INFORMATION - Non-Construction Programs

OMB Number: 4040-0006
Expiration Date: 06/30/2014

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.		$	$	$	$	$
2.						
3.						
4.						
5. Totals		$	$	$	$	$

Standard Form 424A (Rev. 7- 97)
Prescribed by OMB (Circular A -102) Page 1

3 The SF-424A form is available at http://apply07.grants.gov/apply/forms/sample/SF424A-V1.0.pdf

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY (1)	(2)	(3)	(4)	Total (5)
a. Personnel	$	$	$	$	$
b. Fringe Benefits					
c. Travel					
d. Equipment					
e. Supplies					
f. Contractual					
g. Construction					
h. Other					
i. Total Direct Charges (sum of 6a-6h)					$
j. Indirect Charges					$
k. TOTALS (sum of 6i and 6j)	$	$	$	$	$
7. Program Income	$	$	$	$	$

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INSTRUCTIONS FOR THE SF-424A

Public reporting burden for this collection of information is estimated to average 180 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0044), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

General Instructions

This form is designed so that application can be made for funds from one or more grant programs. In preparing the budget, adhere to any existing Federal grantor agency guidelines which prescribe how and whether budgeted amounts should be separately shown for different functions or activities within the program. For some programs, grantor agencies may require budgets to be separately shown by function or activity. For other programs, grantor agencies may require a breakdown by function or activity. Sections A, B, C, and D should include budget estimates for the whole project except when applying for assistance which requires Federal authorization in annual or other funding period increments. In the latter case, Sections A, B, C, and D should provide the budget for the first budget period (usually a year) and Section E should present the need for Federal assistance in the subsequent budget periods. All applications should contain a breakdown by the object class categories shown in Lines a-k of Section B.

Section A. Budget Summary Lines 1-4 Columns (a) and (b)

For applications pertaining to a *single* Federal grant program (Federal Domestic Assistance Catalog number) and *not requiring* a functional or activity breakdown, enter on Line 1 under Column (a) the Catalog program title and the Catalog number in Column (b).

For applications pertaining to a *single* program *requiring* budget amounts by multiple functions or activities, enter the name of each activity or function on each line in Column (a), and enter the Catalog number in Column (b). For applications pertaining to multiple programs where none of the programs require a breakdown by function or activity, enter the Catalog program title on each line in *Column* (a) and the respective Catalog number on each line in Column (b).

For applications pertaining to *multiple* programs where one or more programs *require* a breakdown by function or activity, prepare a separate sheet for each program requiring the breakdown. Additional sheets should be used when one form does not provide adequate space for all breakdown of data required. However, when more than one sheet is used, the first page should provide the summary totals by programs.

Lines 1-4, Columns (c) through (g)

For new applications, leave Column (c) and (d) blank. For each line entry in Columns (a) and (b), enter in Columns (e), (f), and (g) the appropriate amounts of funds needed to support the project for the first funding period (usually a year).

For continuing grant program applications, submit these forms before the end of each funding period as required by the grantor agency. Enter in Columns (c) and (d) the estimated amounts of funds which will remain unobligated at the end of the grant funding period only if the Federal grantor agency instructions provide for this. Otherwise, leave these columns blank. Enter in columns (e) and (f) the amounts of funds needed for the upcoming period. The amount(s) in Column (g) should be the sum of amounts in Columns (e) and (f).

For supplemental grants and changes to existing grants, do not use Columns (c) and (d). Enter in Column (e) the amount of the increase or decrease of Federal funds and enter in Column (f) the amount of the increase or decrease of non-Federal funds. In Column (g) enter the new total budgeted amount (Federal and non-Federal) which includes the total previous authorized budgeted amounts plus or minus, as appropriate, the amounts shown in Columns (e) and (f). The amount(s) in Column (g) should not equal the sum of amounts in Columns (e) and (f).

Line 5 - Show the totals for all columns used.

Section B Budget Categories

In the column headings (1) through (4), enter the titles of the same programs, functions, and activities shown on Lines 1-4, Column (a), Section A. When additional sheets are prepared for Section A, provide similar column headings on each sheet. For each program, function or activity, fill in the total requirements for funds (both Federal and non-Federal) by object class categories.

Line 6a-i - Show the totals of Lines 6a to 6h in each column.

Line 6j - Show the amount of indirect cost.

Line 6k - Enter the total of amounts on Lines 6i and 6j. For all applications for new grants and continuation grants the total amount in column (5), Line 6k, should be the same as the total amount shown in Section A, Column (g), Line 5. For supplemental grants and changes to grants, the total amount of the increase or decrease as shown in Columns (1)-(4), Line 6k should be the same as the sum of the amounts in Section A, Columns (e) and (f) on Line 5.

Line 7 - Enter the estimated amount of income, if any, expected to be generated from this project. Do not add or subtract this amount from the total project amount, Show under the program

narrative statement the nature and source of income. The estimated amount of program income may be considered by the Federal grantor agency in determining the total amount of the grant.

Section C. Non-Federal Resources

Lines 8-11 Enter amounts of non-Federal resources that will be used on the grant. If in-kind contributions are included, provide a brief explanation on a separate sheet.

Column (a) - Enter the program titles identical to Column (a), Section A. A breakdown by function or activity is not necessary.

Column (b) - Enter the contribution to be made by the applicant.

Column (c) - Enter the amount of the State's cash and in-kind contribution if the applicant is not a State or State agency. Applicants which are a State or State agencies should leave this column blank.

Column (d) - Enter the amount of cash and in-kind contributions to be made from all other sources.

Column (e) - Enter totals of Columns (b), (c), and (d).

Line 12 - Enter the total for each of Columns (b)-(e). The amount in Column (e) should be equal to the amount on Line 5, Column (f), Section A.

Section D. Forecasted Cash Needs

Line 13 - Enter the amount of cash needed by quarter from the grantor agency during the first year.

Line 14 - Enter the amount of cash from all other sources needed by quarter during the first year.

Line 15 - Enter the totals of amounts on Lines 13 and 14.

Section E. Budget Estimates of Federal Funds Needed for Balance of the Project

Lines 16-19 - Enter in Column (a) the same grant program titles shown in Column (a), Section A. A breakdown by function or activity is not necessary. For new applications and continuation grant applications, enter in the proper columns amounts of Federal funds which will be needed to complete the program or project over the succeeding funding periods (usually in years). This section need not be completed for revisions (amendments, changes, or supplements) to funds for the current year of existing grants.

If more than four lines are needed to list the program titles, submit additional schedules as necessary.

Line 20 - Enter the total for each of the Columns (b)-(e). When additional schedules are prepared for this Section, annotate accordingly and show the overall totals on this line.

Section F. Other Budget Information

Line 21 - Use this space to explain amounts for individual direct object class cost categories that may appear to be out of the ordinary or to explain the details as required by the Federal grantor agency.

Line 22 - Enter the type of indirect rate (provisional, predetermined, final or fixed) that will be in effect during the funding period, the estimated amount of the base to which the rate is applied, and the total indirect expense.

Line 23 - Provide any other explanations or comments deemed necessary.

SF-424B Assurances Non-Construction Programs [4]

View Burden Statement

OMB Number: 4040-0007
Expiration Date: 06/30/2014

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.

2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C.§§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

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Prescribed by OMB Circular A-102

4 The SF-424B form is available at http://apply07.grants.gov/apply/forms/sample/SF424B-V1.1.pdf

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.

10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.

16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

19. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
APPLICANT ORGANIZATION	DATE SUBMITTED

Standard Form 424B (Rev. 7-97) Back

APPENDIX II

REPORTING FORMS AND FORMATS

WORKSHEET UI-3

U.S. DEPARTMENT OF LABOR
Employment and Training Administration

Exp. Date 10/31/2014
OMB Approval #1205-0132

WORKSHEET UI-3	QUARTERLY UI ABOVE-BASE EARNINGS REPORT	
State	Fiscal Year	Quarter

Section A: Program Staff Year Usage

Program Category	Quarter		Year-to-Date
	(a) SY Worked	(b) SY Paid	(c) SY Paid
1. Claims Activities			
2. Employer Activities			
3. UI PERFORMS			
4. Support/AS&T			
5. Trade Claims Activities			
6. Other			
7. Total Staff Years			

Section B: Regular Above-Base Entitlement Certification

Standard Hours: Quarterly Year-to-Date Yearly

Claims Activity	(a) Workload	(b) MPU	(c)
1. Initial Claims (Regular, EB, and STC)			
2. Initial Claims (Third Tier)			
3. Weeks Claimed (Regular, EB, and STC)			
4. Weeks Claimed (Third Tier)			
5. Nonmonetary Deter. (Regular, EB, and STC)			
6. Nonmonetary Deter. (Third Tier)			
7. Appeals (Regular, EB, and STC)			
8. Appeals (Third Tier)			
9. Interstate Appeals Taken (IB-101)			
10. Interstate Agent Referrals			
11. Multiclaimant Services			
12. Monetary Redeterminations			
13. SAVE			
14. Total Staff Years Worked/Earned = Sum of Lines 1 through 13			
15. Entitlement Staff Years Worked = Line 14 - Base SY Worked ( )			
16. Entitlement Staff Years Paid = Line 15 x Experienced Leave (_____)			
17. PS/PB Entitlement $ = Line 16 x Regular Above-Base PS/PB Rate ($_____)			
18. Support Entitlement $ = Line 17 x Above-Base Support Percentage (%)			
19. Other $ (Specify)			
20. Total Dollar Costs = Line 17 + Line 18 + Line 19			
21. Advance			
22. Net Dollar Entitlement = Line 20 - Line 21			

CERTIFICATION: I certify to the best of my knowledge and belief that information provided herein is accurate and complete, and was obtained from agency accounting records.

Signature _____ Title _____ Date

WORKSHEET UI-3 (Continued)	QUARTERLY UI ABOVE-BASE REPORT	
State	Fiscal Year	Quarter

Section C: Trade ABOVE-BASE Entitlement Certification			
Standard Hours: Quarterly _____ Year-to-Date _____ Yearly			
Claims Activity	(a) Workload	(b) MPU	(c)
1. Initial Claims			
2. Weeks Claimed			
3. Nonmonetary Determinations			
4. Appeals			
5. Trade Redeterminations			
6. Other Staff Years (Specify)			
7. Total Staff Years Worked = Sum of Lines 1 through 6			
8. Staff Years Paid = Line 7 x Experienced Leave (_____)			
9. PS/PB Entitlement $ = Line 8 x Trade PS, Regular Above-Base PB Rate ($_____)			
10. Support Entitlement $ = Line 9 x Trade Support Percentage (%)			
11. Other $ (Specify)			
12. Total Trade Dollar Costs = Line 9 + Line 10 + Line 11			

Section D: Additional Benefits Above-Base Entitlement Certification			
Standard Hours: Quarterly _____ Year-to-Date _____ Yearly			
Claims Activity	(a) Workload	(b) MPU	(c)
1. Initial Claims			
2. Weeks Claimed			
3. Nonmonetary Determinations			
4. Appeals			
5. Monetary Redeterminations			
6. Other Staff Years (Specify)			
7. Total Staff Years Worked = Sum of Lines 1 through 6			
8. Staff Years Paid = Line 7 x Regular Above-Base Experienced Leave (_____)			
9. PS/PB Entitlement $ = Line 8 x Regular Above-Base PS/PB Rate ($_____)			
10. Support Entitlement $ = Line 9 x Regular Above-Base Support Percentage (____%)			
11. Other $ (Specify)			
12. Total AB Dollar Costs = Line 9 + Line 10 + Line 11			

ETA 2208A

INSTRUCTIONS FOR THE UI-3

OMB No.: 1205-0132 OMB Expiration Date: 10/31/2014 Estimated Average Response time: 120 minutes

OMB Burden Statement: these reporting instructions have been approved under the Paperwork reduction Act of 1995. Persons are not required to respond to this collection of information unless it displays a valid OMB control number. Public reporting burden for this collection of information includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Submission is required to obtain or retain benefits under SSA 303(a)(6). Persons responding to this collection have no expectation of confidentiality. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of Unemployment Insurance, Room S-4519, 200 Constitution Ave., NW, Washington, DC, 20210.

Please type or print legibly. The following general instructions explain how to use the form itself.

General Instructions

This form is designed so that application can be made for funds from one or more grant programs (Regular UI, Trade, and Additional Benefits). The SAVE program is included on Section B of the UI-3 in order to reimburse ongoing operational costs related to the SAVE program.

The electronic version of this form appears slightly different on the computer screen than the one included in these instructions, which is provided for display only. States should submit their reports electronically. There is minimal data entry necessary in the current UI-3s. Workloads, MPUs, Staff Years Worked/Earned and Experienced Leave Rates are all automatically entered. In addition, the electronic version has a "Comments" section to explain entries in the "Other Staff Years" or "Other $" lines, but does not have a block for certification by a State official. States are urged to use the comment section for explanations of “Other” lines. The comments section is heavily relied upon during the review of the report.

Note: Throughout the UI-3 reports, listed as Sections A, B, C, and D in these instructions, States should enter zero (0) in any cell that must be manually entered but has no data (no activity) for the particular quarter being reported on.

Minutes Per Unit. Minutes per unit (MPU) for each of the four broadband activities in Lines 1 through 8 in Section B and Lines 1 through 4 in Sections C and D are allocated in the annual base budget and the Above-Base funding process. These budgeted MPU values vary for each State from year to year; however, static MPU values have been established for the following functions:

IB Agent Appeals (Line 9, Section B)	20.0
Interstate Referrals (Line 10, Section B)	15.0
Redeterminations (Line 12, Section B and Line 5, Section C and D)	(promulgated in the Unemployment Insurance Program Letter (UIPL) for the allocations)
SAVE (Line 13, Section B)	6.5

Position Computation. Generally, staff years earned are computed by multiplying workload by minutes per unit and dividing by the minutes available in the relevant period. This computation yields the number of staff required in the budget period to accomplish the workload. For a calendar quarter, the formulae are expressed as follows:

(Workload x MPU)/(60 x Quarter Hours Paid) = Staff Years Worked/Earned.
Staff Years Worked/Earned x Experienced Leave Factor = Staff Years Paid/Earned.

Experienced Leave Factor. The experienced leave factor is calculated by dividing the quarterly staff years paid/used by the quarterly staff years worked/used for that program activity. Regular UI and Trade Above-Base have different experienced leave factors.

Personal Services/Personnel Benefits (PS/PB) Rate. Attachment II to the UIPL for the yearly allocations contains the approved annual Regular UI Above-Base PS/PB rates. These are expressed as annual rates and must be converted to a quarterly equivalent for use on the UI-3. A staff hour conversion factor should be used by determining the number of staff hours in the quarter as a ratio of staff hours in the year and applying this ratio to the annual rate. For the Trade program, states may use the average experienced personal services rate of staff working in Trade claims activities. Trade personnel benefits will be funded at the same rate as the Regular Above-Base program.

Support. The support percentage may vary from one year to another and from one program to another. Therefore, the total support percentage will be promulgated in the UIPL for the yearly allocations.

Section A. Program Staff Year Usage

Lines 1-7, Columns (a) through (c)

Complete this section for current quarter and fiscal year-to-date. This section lists the UI categories to be reported. For each of Lines 1-7 in Section A, enter quarterly staff years worked in Column (a), quarterly staff years paid in Column (b), and year-to-date staff years paid in Column (c). These lines should reflect total staff years. No adjustment should be made for staff years financed with prior year carry-forward funds.

Line 1 - Enter staff years for claims activities including initial claims, weeks claimed, eligibility reviews, nonmonetary determinations, appeals, and multi-claimant services.

Line 2 - Enter staff years for employer activities including wage records, tax, and tax travel.

Line 3 - Enter staff years for UI PERFORMS activities, less UI PERFORMS AS&T.

Line 4 - Enter staff years for support activities for the UI and Trade programs including benefits and appeals travel, benefit payment control, UI support, internal security, interstate, automation grants staff, and administrative staff and technical services (AS&T), including UI PERFORMS and Trade AS&T. (Note: Some accounting reports that states use to populate the UI-3 do not show AS&T staff years worked in these programs. The SWA should estimate the AS&T staff years worked by analyzing the percentage of AS&T staff years paid charged to these programs.)

Line 5 - Enter staff years for claims activities under the Trade Adjustment Assistance (TAA) provisions of the Trade Act of 1974, as amended.

Line 6 - Enter staff years for special funded activities not included in the above lines (e.g., SAVE), and for activities funded with national activities funds (excluding cooperative agreements).

Line 7 - Enter the sum of the staff years in Lines 1 through 6, for each column.

Section B. Regular Above-Base Entitlement Certification

Lines 1-13, Column (a)

Total workload in Section B will include data from the Regular UI, Extended Benefits (EB), and Short-Time Compensation (STC) programs, and, if enacted, third tier programs (e.g., FSB, FSC, EUC, and TEUC). The following table shows the source of data for total workloads:

Line 1 - Data will automatically be entered from the ETA 5159 Regular, EB, and STC reports: the sum of lines 101, 102, and 103 for columns 2, 3, 5, and 7 of the Regular and EB reports, and the sum of columns 2 and 3 for line 101 of the STC report.

Line 2 - Data will automatically be entered from the ETA 5159 (Third Tier): the sum of lines 101, 102, and 103 for columns 2, 3, 4, and 7.

Line 3 - Data will automatically be entered from the ETA 5159 Regular, EB, and STC reports: the sum of lines 201, 202, and 203 for columns 10 and 13 of the Regular and EB reports, and the workload in line 201, column 9 of the STC report.

Line 4 - Data will automatically be entered from the ETA 5159 (Third Tier) report: the sum of lines 201, 202, and 203 for columns 10 and 13.

Line 5 - Data will automatically be entered from the ETA 207 Regular and EB reports: the sum of lines 101, 103, and 105 for column 1.

Line 6 - Data will automatically be entered from the ETA 207 (Third Tier) report: the sum of lines 101, 103, and 105 for column 1.

Line 7 - Data will automatically be entered from the ETA 5130 Regular and EB reports: the sum of columns 1 through 6 in line 100.

Line 8 - Data will automatically be entered from the ETA 5130 (Third Tier) report: the sum of columns 1 through 6 in line 100.

Line 9 - States should enter IB Agent Appeals: the sum of IB-101s sent to liable States.

Line 10- Data will automatically be entered from the ETA 5159 Regular and EB reports: the difference between the sum of column 4 and the sum of column 5.

Line 11 - States should enter the number of multi-claimant appeals (not appellants). Line 11 is automatically subtracted from line 7 before Staff Years Worked/Earned are calculated on line 7.

Line 12 - States should enter the number of monetary redeterminations. (Reserved for future use.)

Line 13 - Data will automatically be entered from line 1 of the ETA 9016.

* OMB Approval Numbers: ETA 5159: #1205-0010, expires 05/31/2006; ETA 207: #1205-0150, expires 10/31/2004; ETA 5130: #1205-0172, expires 10/31/2004; ETA 9016: #1205-0268, expires 02/28/2005

Lines 1-10 and Lines 12-13, Column (b)

The appropriate MPU values will be entered automatically. If another MPU value is necessary for Line 12, the defaulted MPU value can be overwritten.

Lines 1-10 and Lines 12-13, Column (c)

Staff years worked/earned will be calculated automatically using the formula in the General Instructions.

Line 11, Column (c)

States should enter the number of staff years worked/used for processing multi-claimant non-monetary determinations and appeals for activities such as labor dispute determinations for individual claimants or retroactive payments resulting from an appeal decision. The quarter-to-date multi-claimant staff years used (extracted from the cost distribution report) should be entered in column (c), line 11, Section B. Note: the computer software automatically subtracts the workload count in column (a), line 11 from the workload count (column a) in lines 7 before Staff Years Worked/Earned are computed in column (c), line 7.

Line 14- The Total Staff Years Worked/Earned will be automatically calculated from Lines 1 through 13, column (c).

Line 15- Entitlement Staff Years Worked will automatically be calculated by subtracting Base Staff Years Worked for the given quarter from Staff Years Worked/Earned (Line 14). Base Staff Years Worked will automatically be calculated and entered in the parentheses on line 15. Base Staff Years Worked will be calculated by dividing the Hours per Staff Years Paid by the Hours per Staff Year Worked for the appropriate quarter from the UI-1 to determine the budgeted leave factor; the number of Claims Activity Staff Years Paid will be divided by the budgeted leave factor for that quarter. States which have noted the breakout of quarterly hours in the remarks section of their SF 424-A (See instructions in the yearly UIPL providing Resource Planning Targets and Guidelines; and the UIPL used to promulgate the Resource Allocations) may override the defaulted Base Staff Years Worked entered by the system with their own calculated Base Staff Years Worked.

Line 16- Entitlement Staff Years Paid will automatically be calculated by the system by multiplying the experienced leave factor by the data in Line 15, Column (c). The experienced leave factor will automatically be calculated by dividing the quarterly staff years paid by the staff years worked for claims activities as reported in Line 1, Section A. The experienced leave factor will automatically be entered in the parentheses on Line 16. If part-time or temporary staff do not earn leave, the staff year entitlement in Line 16 will be equal to the entitlement in Line 15.

Line 17- States should enter the Regular UI Above-Base quarterly PS/PB rate, which will automatically be multiplied by the data in Line 16.

Line 18- States should enter the Regular UI Above-Base Support percentage, which will automatically be multiplied by the data in Line 17.

Line 19- States should enter costs relating to special cases and note these in the comments section. States should also enter other costs relating to the SAVE program - such as computer access charges and equipment, and phone leasing charges. The General Services Administration bills states that use the Immigration and Naturalization Service's (INS) computer database to verify claimants' immigration status. In addition, some States must lease phone Lines and equipment in order to use the INS database. These costs are fully reimbursed; however, states that are approved to use the INTERNET system to obtain access to the INS database may not claim leased Line and equipment costs. States should specify all such costs in the "Comments" section.

Line 20- Total dollar costs, the sum of lines 17, 18, and 19 will automatically be calculated and entered on line 20.

Line 21- States should enter the amount of the advance received at the beginning of the quarter for quarterly Above-Base claims operations.

Line 22- The net dollar entitlement, Line 22, will automatically be calculated by subtracting the data in line 21 from the data in Line 20 and entered here.

Section C. Trade Above-Base Entitlement Certification

Lines 1-5,

Column (a) - States should enter total workload data which will include data from the Regular Trade program. Its source is State data.

Column (b) - Trade broadband MPU values, which will automatically be entered, are identical to the Regular broadband MPU values, except for Trade weeks claimed, which excludes the weighted MPU value for the Eligibility Review Program (ERP) from the Regular weeks claimed MPU value. The Trade Redeterminations MPU value is promulgated in the yearly field memorandum for the allocations.

Column (c) - Staff Years Worked/Earned will automatically be calculated by the system using the formula in the General Instructions.

Line 6 - States should enter other staff years, such as Trade Benefit Travel staff years worked/used.

Line 7 - The sum of lines 1 through 6 in Column (c) will automatically be calculated and entered here.

Line 8 - The system will use the same formula to calculate Staff Years Paid as for Section B, but will calculate the experienced leave factor by using Section A, Line 5. If necessary, this defaulted value can be overwritten.

Line 9 - States should enter the combined Trade PS and Above-Base PB rate. The system will multiply this rate by the entry in Line 8.

Line 10- States should enter the Trade Above-Base Support percentage. The system will use this data and multiply it by the entry in Line 9.

Line 11- States should enter other costs relating to Trade Administration in Line 11. Notices in local newspapers for special worker notifications are fully reimbursed. States should specify all such costs in the "Comments" section.

Line 12- The system will automatically enter the sum of Lines 9, 10, and 11 here.

Section D. Additional Benefits (AB) Above-Base Entitlement Certification

Note: Reporting of AB data is not required for statistical purposes, but is necessary in order to calculate the proper entitlement.

Lines 1-5,

Column (a) - States should enter the total broadband AB program workload. Its source is State data.

Column (b) - AB broadband MPU values that will automatically be entered are identical to the Regular broadband MPU values. The AB Redeterminations MPU value, which should be manually entered, is promulgated in the yearly field memorandum for the allocations.

Column (c) - Staff Years Worked/Earned will automatically be calculated by the system using the formula in the General Instructions.

Line 6 - (Reserved for future use.)

Line 7 - The sum of Lines 1 through 6 in Column (c) will automatically be calculated and entered here.

Line 8 - Staff Years Paid will automatically be calculated by the system by multiplying the same experienced leave factor as for Section B by the data in Line 7.

Line 9 - States should enter the Regular UI Above-Base quarterly PS/PB rate in the parentheses on line 9. The system will multiply this rate by the data in Line 8.

Line 10- States should enter the Regular UI Above-Base Support percentage in the parentheses on line 10. The system will use this figure and multiply it by the entry in Line 9.

Line 11- (Reserved for future use.)

Line 12- The system will automatically enter the sum of Lines 9, 10 and 11 here.

FINANCIAL STATUS REPORT ETA-9130 [1]

(To be used by Grantees previously reporting on the SF-269 - unmodified)

U.S. DOL ETA FINANCIAL REPORT

(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned by DOL	OMB Approval No 1205-0461 Expires 11/30/2009
3. Recipient Organization (Name and complete address including Zip code)		

4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number	6. Final Report	7. Basis of Accounting
			☐ Yes ☐ No	☐ Accrual

8. Project/Grant Period From: (Month, Day, Year)	To: (Month, Day, Year)	9. Reporting Period End Date (Month, Day, Year)

10. **Transactions**	Cumulative
Federal Cash :	
a. Cash Receipts	
b. Cash Disbursements	
c. Cash on Hand (line a minus b)	
Federal Expenditures and Unobligated Balance:	
d. Total Federal funds authorized	
e. Federal share of expenditures	
f. Total administrative expenditures	
g. Federal share of unliquidated obligations	
h. Total Federal obligations (sum of lines e and g)	
i. Unobligated balance of Federal funds (line d minus h)	
Recipient Share:	
j. Total recipient share required	
k. Recipient share of expenditures	
l. Recipient share of unliquidated obligations	
m. Total recipient obligations (sum of lines k and l)	
n. Remaining recipient share to be provided (line j minus m)	
Program Income:	
o. Total Federal program income earned	
p. Program income expended in accordance with the addition method	
q. Unexpended program income (line o minus line p)	
11. **Additional expenditure data required**	
a. Other Federal funds expended	

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:

13. Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all expenditures and unliquidated obligations are for the purposes set forth in the award documents.

a. Typed or Printed Name and Title of Authorized Certifying Official	c. Telephone (Area code, number and extension) d. Email address
b. Signature of Authorized Certifying Official	e. Date Report Submitted (Month, Day, Year)
	14. Agency use only:

Prescribed by OMB A-102 and A-110

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (1205-0NEW), Washington, DC 20503.

ETA-9130

1 The Financial Status Report ETA-9130 form is available at http://www.doleta.gov/grants/docs/ETA-9130-straightSF269grants.pdf

7/8/2008

U.S. DOL ETA
Financial Report
Instructions

(Basic Instructions for ETA – 9130)

Report Submission

1) The U.S. DOL/ETA requires all grant recipients to submit the Financial Report (FR) electronically through an on-line reporting system.
2) Recipients are issued a password and a PIN to enable reporting via the on-line reporting system at www.etareports.doleta.gov. Upon accessing the system, detailed on-line reporting instructions are provided.
3) Report submission is a three step process: **1. DATA ENTRY** – the *Secondary Contact* person, designated by the grantee organization, is responsible for entering the required data on the FR, using the password; **2. DATA CERTIFICATION** – the *Primary Contact* person, the designated authorized official in grantee organization, is responsible for certifying the accuracy of the data by entering the PIN; and **3. DATA ACCEPTANCE** – DOL/ETA is responsible for reviewing the certified FR, communicating with grantee as necessary, and accepting the report within 10 working days after report certification. If a modification is required, the certification and acceptance processes must be repeated.

Reporting Requirements

1) Submission of the FR is required on a quarterly basis. **Reporting quarter end dates shall correspond to the following calendar quarter end dates: March 31, June 30, September 30, and December 31**. A final quarter FR is required at the completion of the quarter encompassing the grant award end date, or at the completion of the quarter in which all funds have been expended, whichever comes first. The final quarterly FR must be indicated by selecting "YES" in Item 6, Final Report.
2) Quarterly reports, including the final quarter report, are required to be submitted ***no later than 45 calendar days*** after the end of each specified reporting period. **The reporting due dates are: May 15, August 15, November 15, and February 15.**
3) A closeout report is required to be submitted ***no later than 90 calendar days*** after the grant end date. The closeout report is separate from (and additional to) the final quarter report and becomes accessible on-line after submittal of the final quarter report. (The closeout report does not need to be completed until the grant closeout process begins.)
4) All financial data is required to be reported **cumulative from grant inception**, through the end of each reporting period. Expenditure data is required to be reported on an **accrual basis**.
5) A separate FR is required for each program and each fund source (subaccount) awarded to a grant recipient.
6) Both cash management and financial status information are required for all reports.

Assistance with completing the reports can be found primarily through your Federal Project Officer. Technical issues with the on-line reporting system should be directed to: e-grants.help@dol.gov.

Please ensure that the certifying official information contained in Items 13a -13d is correct. Any outdated information will delay transmission of the grant's closeout package and relevant information affecting the grant. To request a change in the signatory/certifying official, you must send an e-mail to logan.shantay@dol.gov and malone.avery@dol.gov.

Line Item Instructions for the U.S. DOL ETA Financial Report

FFR Number	Reporting Item	Instructions
Cover Information		
1	Federal Agency and Organizational Element to Which Report is Submitted	"U.S. Department of Labor Employment & Training Administration." PRE-ENTERED
2	Federal Grant or Other Identifying Number Assigned by Federal Agency	Grant number assigned for the award by DOL/ETA **and contained on the grant award document.** PRE-ENTERED
3	Recipient Organization	Name and complete address of recipient organization PRE-ENTERED
4a	DUNS Number	Recipient organization's Data Universal Numbering System (DUNS) number or Central Contract Registry extended DUNS number. PRE-ENTERED
4b	EIN	Recipient organization's Employer Identification Number (EIN). PRE-ENTERED
5	Recipient Account Number or Identifying Number	Enter the account number or any other identifying number assigned by the recipient to the grant award. **This number is strictly for the recipient's use only and is not required by DOL/ETA**.
6	Final Report (Yes/No)	Select appropriate box. Check "Yes" only if this is the final quarter report for subject grant subaccount. For grants with multiple subaccounts, each subaccount may be indicated "final" at the time all funds in that subaccount are expended. However, the grant closeout will not occur until after the grant end date
7	Basis of Accounting (Accrual)	Basis of Accounting is intended to read and be interpreted as **"Basis of Reporting".** **ACCRUAL** has been pre-entered on all reporting formats. **DOL/ETA regulations require that all recipients report expenditures and program income on an accrual basis**. For accrual basis reporting, accrued expenditures are recorded when a requirement to pay is established. **Note**: Recipients are not required to change their accounting systems to accommodate DOL/ETA requirements that differ from their underlying accounting practices. Instead, recipients must furnish the required accrual information based on available documentation and best estimates.
8	Project/Grant Period, From: (Month, Day, Year)	The beginning date of the grant award as defined in the grant award document. PRE-ENTERED
	Project/Grant Period ,To:	The ending date of the grant award as defined in the grant award

FFR Number	Reporting Item	Instructions
	(Month, Day, Year)	document, and the final date for which any **accrued expenditures** can be incurred under subject grant award. PRE-ENTERED.
9	Reporting Period End Date: (Month, Day, Year)	The last date of the quarter for which cumulative data is provided on subject FR. (Required reporting quarter end dates are contained in "Reporting Requirements" in first section of these instructions.) PRE-ENTERED
10	**Transactions** Enter cumulative amounts in the **Cumulative Column** for each line item requiring data entry, as of the reporting period end date. **NOTE: If any line item does NOT require data entry for a particular grant/program, a ZERO must be entered**. Line items which will be automatically calculated are grayed out, and no data entry will be permitted by reporting entity. Cumulative data for current reporting quarter will become **Previous Period Column** in following quarter. **This Period** data will be automatically calculated. Use Section 12, Remarks, to provide any information deemed necessary to support/explain data provided in this section.	
Federal Cash		
10a	:	This amount will be **PRE-ENTERED** to agree with DOL cumulative quarter-end drawdown records associated with this grant and the specific subaccount identified in Item 2. This amount should coincide with cumulative PMS drawdowns actually received in grantee's bank account, as of the last working day of the quarter. *Drawdowns **initiated** on the last business day of a quarter will **NOT** be reflected in this amount, but in the subsequent quarter's cash receipts.* **{This amount will be the same as the amount posted in the note above Item 10a which reads "(DOL records reflect total quarter-end cumulative drawdowns of $_____)."}** ***NOTE: For grant recipients operating on a reimbursement basis, this amount will NOT reflect cash utilized from other fund sources of the grantee organization to pay for subject grant activities, until such funds are drawn down under the subaccount specifically associated with this grant as identified in Item 2.*** ***HARD EDIT - Line*** 10a cannot exceed Line 10d
10b	Cash Disbursements	Enter the cumulative amount of **cash disbursed from the cash receipts identified on 10a,** as of the reporting period end date. The cash disbursements reported must be "all or a portion of" the cash receipts reflected on Item 10a. This entry should reflect the sum of actual cash disbursements for direct charges for goods and services, the amount of cash paid out for indirect expenses charged to the award, and the amount of cash advances and payments made to subrecipients and subcontractors.

FFR Number	Reporting Item	Instructions
		HARD EDIT - Line 10b cannot exceed Line 10a. SOFT EDIT - Line 10b should not exceed Line 10e. CAUTION: Line 10e will typically be greater than Line 10b due to the inclusion of accruals, for which payment has not been made. If allowable advances made to sub-entities, cause Line 10b to exceed Line 10e, a valid explanation should be provided in Item 12, Remarks. SOFT EDIT - Line 10b for "This Period" should not be negative. CAUTION: If entry for this line item is less than previous period cumulative amount, a valid explanation should be provided in Item 12, Remarks.
10c	Cash On Hand (Line 10a minus Line 10b)	This is an automatic calculation, which is Line 10a minus Line 10b. The cash on hand amount should represent immediate cash needs. If any drawdowns were made prematurely, or there are other reasons for any excess cash on hand, an explanation should be provided in Section 12, Remarks. HARD EDIT - Line 10c must be equal to Line 10a minus Line 10b HARD EDIT - Line 10c cannot be negative.
Federal Expenditures and Unobligated Balance:		
10d	Total Federal Funds Authorized	This amount is pre-entered for all grants except WIA formula-funded. This entry should agree with the grant award amount specified in the official grant award document for this subaccount, as identified in Item 2. (Discrepancies must be identified by grantee and corrected, as necessary, by the grant officer.)
10e	Federal Share of Expenditures	Enter the cumulative amount of accrued expenditures for allowable costs associated with the funds authorized on Line10d. Accrued expenditures are the sum of actual cash disbursements for direct charges for goods and services; the amount of indirect expenses charged to the award; **MINUS** any rebates, refunds, or other credits; **PLUS** the total costs of all goods and property received or services performed, **whether or not an invoice has been received or a cash payment has occurred**. Accrued expenditures are to be recorded in the reporting quarter in which they occur, regardless of when the related cash receipts and disbursements take place. Unless cash advances have been made to subrecipients, this entry will usually be greater than Line 10b, cash disbursements, because accruals (goods and services received but not yet paid for) must be included on this line item. In addition, recipients operating on a reimbursement basis must report all accrued expenditures (including cash disbursements for allowable grant activities) in the quarter in which they occur (no matter what source initially pays the costs.)

FFR Number	Reporting Item	Instructions
		HARD EDIT - Line 10e cannot exceed Line 10d. SOFT EDIT - Line 10e for "This Period" should not be negative. CAUTION: If entry for this line item is less than previous period cumulative amount, a valid explanation should be provided in Item 12, Remarks.
10f	Total Administrative Expenditures	**An entry is <u>required</u> for this line item for all grants subject to an administrative cost limitation.** This is a new line item to capture administrative costs which were previously required to be reported in the Remarks section of the SF 269, or were otherwise required on the administrative expenditure line item of a modified SF 269. Specific grants, such as the WIRED grants, may be identified as exempt from breaking out administrative costs. Enter the cumulative amount of accrued expenditures for administrative activities. Administrative costs must be necessary and reasonable costs (direct and indirect) which are not related to the direct provision of services to participants, but relate to overall general administrative functions. Consult the appropriate program rules and regulations and/or grant award specifications for specific definitions and/or limitations on administrative costs. **(This line item is a portion of the amount reported on Line 10e.)** If no data entry is required, a ZERO must be entered.
10g	Federal Share of Unliquidated Obligations	Enter any obligations (legally binding commitments to expend subject grant funds authorized) for which an accrued expenditure has not yet been incurred, as of the reporting period end date. Unliquidated obligations should include amounts which will become due to subrecipients and subcontractors. On the final report, this line item should be zero. NOTE: For DOL/ETA grants, the only liquidation that can occur during closeout is the liquidation of accrued expenditures (NOT obligations) for goods and/or services received during the grant period. *Do not include any amount on Line 10g that has been reported on Line 10e or 10f. Do not include any amount on Line 10g for a future commitment of funds (e.g., entire lease, budgeted salary costs) for which an obligation has not yet been incurred.*
10h	Total Federal Obligations	This is an automatic calculation, which is the sum of Lines 10e and 10g. HARD EDIT – Line 10h must be equal to Line 10e plus Line 10g

FFR Number	Reporting Item	Instructions
		HARD EDIT - Line 10h cannot exceed Line 10d.
10i	Unobligated Balance of Federal funds	This is an automatic calculation, which is Line 10d minus Line Item 10h. HARD EDIT - Line 10i must be equal to Line 10d minus Line 10h
Recipient Share:		
10j	Total Recipient Share Required	Enter the total match requirement, as identified in the grant award document and on the grant budget form, 424A. If subject grant has no match requirement, a ZERO must be entered.
10k	Recipient Share of Expenditures	Enter any non-Federal funds expended, by recipient organization, for the purposes or activities of subject grant. Expenditures identified on this line item must be allowable costs which could otherwise have been paid for out of subject grant funds. These expenditures should include both match and other non-Federal leveraged resources. The value of allowable non-Federal in-kind match contributions should also be included. This entry may (and often will) exceed the required match entered on Line 10j. NOTE: Non-Federal funds expended for the purposes or activities of subject grant, which are allowable under all OMB Circulars, but which are not completely allowable under subject grant (due to a program specific restriction), should **not** be reported on this line item, but should be included in the quarterly progress report.
10l	Recipient Share of Unliquidated Obligations	Enter any obligations (legal commitments to expend non-Federal funds) for which an accrued expenditure has not yet been incurred, as of the reporting period end date. *Do not include any amount on Line 10l that has been reported on Line 10k. Do not include any amount on Line 10l for a future commitment of funds (e.g., entire lease, budgeted salary costs) for which an obligation has not yet been incurred.*
10m	Total Recipient Share (sum of Lines 10k and 10l)	This is an automatic calculation, which is the sum of Lines 10k and 10l. NOTE: This amount may exceed the required match entered on Line 10j. HARD EDIT - Line 10m must be equal to Line 10k plus Line 10l.
10n	Remaining Recipient Share to be Provided (Line 10j minus Line10m)	This is an automatic calculation, which is Line 10j minus Line 10m. When the match requirement identified on Line 10j has been met, the value on Line 10n will be automatically set to zero. HARD EDIT - Line 10n must be equal to Line 10j minus Line 10m

FFR Number	Reporting Item	Instructions
		HARD EDIT - Line 10n cannot be negative; when Line 10j and Line 10m are equal, Line 10n will automatically set to 0.
Program Income:		
10o	Total Federal Program Income Earned	Enter the total amount of program income earned as the result of allowable grant activity. The addition method for recording and reporting program income is required for all ETA programs/grants. For additional reference, program income is defined in the applicable program regulations and in 29 CFR 95.24 and 29 CFR 97.25. Either gross or net program income may be reported. If gross program income is reported, the costs for generating the income should be included on Line 10e. If net program income is reported, the costs for generating the income are subtracted from the total income earned before entering the net amount on 10o. If no program income is earned, a ZERO must be entered.
10p	Program Income Expended	Enter the total cumulative amount of accrued expenditures incurred against the program income earned on Line 10o. NOTE: Program income is to be expended during the same grant period in which it is earned.
10q	Unexpended Program Income (Line 10o minus Line 10p)	This is an automatic calculation, which is Line10o minus 10p. HARD EDIT - Line 10q must be equal to Line 10o minus Line 10p.
11. Additional Expenditure Data Required		
11a	Other Federal funds expended	Enter any other Federal funds expended, by the recipient organization and any subrecipient organizations, but not by any non-subrecipient partner organizations, for the same purposes or activities of subject grant. **Expenditures included must be allowable costs which could otherwise have been paid for out of subject grant funds**. Other Federal funds expended by any non-subrecipient partner organizations for the benefit of this grant program should be included in the quarterly progress report. This entry should include expenditures of all Federally funded leveraged resources, whether or not such expenditures are the result of a leveraging requirement.
12	Remarks	Enter any explanations deemed necessary by the grantee or information required by DOL ETA.
13a-b	Certification	The authorized official certifies accuracy of reported data by entering assigned PIN.
13c	Telephone (Area Code, Number and Extension)	The telephone number of certifying official is automatically displayed.
13d	Email Address	The email address of the certifying individual is automatically displayed.

FFR Number	Reporting Item	Instructions
13e	Date Report Submitted (Month, Day, Year)	The date the FR is certified/submitted to DOL/ETA is automatically displayed.
14	Agency Use Only	This section is reserved for DOL/ETA use.

REQUEST FOR ADVANCE OR REIMBURSEMENT SF-270[10]

REQUEST FOR ADVANCE OR REIMBURSEMENT (See instructions on back)	OMB APPROVAL NO. 0348-0004	PAGE OF PAGES
	1. TYPE OF PAYMENT REQUESTED — a. "X" one or both boxes: ☐ ADVANCE ☐ REIMBURSEMENT; b. "X" the applicable box: ☐ FINAL ☐ PARTIAL	2. BASIS OF REQUEST: ☐ CASH ☐ ACCRUAL
3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED	4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY	5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST
6. EMPLOYER IDENTIFICATION NUMBER / 7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER	8. PERIOD COVERED BY THIS REQUEST — FROM *(month, day, year)*	TO *(month, day, year)*
9. RECIPIENT ORGANIZATION *Name:* *Number and Street:* *City, State and ZIP Code:*	10. PAYEE *(Where check is to be sent if different than item 9)* *Name:* *Number and Street:* *City, State and ZIP Code:*	

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED

PROGRAMS/FUNCTIONS/ACTIVITIES ►		*(a)*	*(b)*	*(c)*	TOTAL
a. Total program outlays to date	*(As of date)*	$	$	$	$ 0.00
b. *Less:* Cumulative program income					0.00
c. Net program outlays *(Line a minus line b)*		0.00	0.00	0.00	0.00
d. Estimated net cash outlays for advance period					0.00
e. Total *(Sum of lines c & d)*		0.00	0.00	0.00	0.00
f. Non-Federal share of amount on line e					0.00
g. Federal share of amount on line e					0.00
h. Federal payments previously requested					0.00
i. Federal share now requested *(Line g minus line h)*		0.00	0.00	0.00	0.00
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month				0.00
	2nd month				0.00
	3rd month				0.00

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY

a. Estimated Federal cash outlays that will be made during period covered by the advance	$
b. *Less:* Estimated balance of Federal cash on hand as of beginning of advance period	
c. Amount requested *(Line a minus line b)*	$ 0.00

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Prescribed by OMB Circulars A-102 and A-110

10 The SF-270 form is available at http://www.whitehouse.gov/omb/assets/omb/grants/sf270.pdf.

13. CERTIFICATION		
I certify that to the best of my knowledge and belief the data on the reverse are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.	SIGNATURE OR AUTHORIZED CERTIFYING OFFICIAL	DATE REQUEST SUBMITTED April 27, 2009
	TYPED OR PRINTED NAME AND TITLE	TELEPHONE (AREA CODE, NUMBER, EXTENSION)

This space for agency use

Public reporting burden for this collection of information is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0004), Washington, DC 20503.

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INSTRUCTIONS

Please type or print legibly. Items 1, 3, 5, 9, 10, 11e, 11f, 11g, 11i, 12 and 13 are self-explanatory; specific instructions for other items are as follows:

Item	*Entry*
2	Indicate whether request is prepared on cash or accrued expenditure basis. All requests for advances shall be prepared on a cash basis.
4	Enter the Federal grant number, or other identifying number assigned by the Federal sponsoring agency. If the advance or reimbursement is for more than one grant or other agreement, insert N/A; then, show the aggregate amounts. On a separate sheet, list each grant or agreement number and the Federal share of outlays made against the grant or agreement.
6	Enter the employer identification number assigned by the U.S. Internal Revenue Service, or the FICE (institution) code if requested by the Federal agency.
7	This space is reserved for an account number or other identifying number that may be assigned by the recipient.
8	Enter the month, day, and year for the beginning and ending of the period covered in this request. If the request is for an advance or for both an advance and reimbursement, show the period that the advance will cover. If the request is for reimbursement, show the period for which the reimbursement is requested.
Note:	The Federal sponsoring agencies have the option of requiring recipients to complete items 11 or 12, but not both. Item 12 should be used when only a minimum amount of information is needed to make an advance and outlay information contained in item 11 can be obtained in a timely manner from other reports.
11	The purpose of the vertical columns (a), (b), and (c) is to provide space for separate cost breakdowns when a project has been planned and budgeted by program, function, or activity. If additional columns are needed, use as many additional forms as needed and indicate page number in space provided in upper right; however, the summary totals of all programs, functions, or activities should be shown in the "total" column on the first page.
11a	Enter in "as of date," the month, day, and year of the ending of the accounting period to which this amount applies. Enter program outlays to date (net of refunds, rebates, and discounts), in the appropriate columns. For requests prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expenses charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subcontractors and subrecipients. For requests prepared on an accrued expenditure basis, outlays are the sum of the actual cash disbursements, the amount of indirect expenses incurred, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received and for services performed by employees, contracts, subgrantees and other payees.
11b	Enter the cumulative cash income received to date, if requests are prepared on a cash basis. For requests prepared on an accrued expenditure basis, enter the cumulative income earned to date. Under either basis, enter only the amount applicable to program income that was required to be used for the project or program by the terms of the grant or other agreement.
11d	Only when making requests for advance payments, enter the total estimated amount of cash outlays that will be made during the period covered by the advance.
13	Complete the certification before submitting this request.

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APPENDIX III

PERFORMANCE MEASURES

UI Performs Measures and Programs

Core Measures	Acceptable Levels of Performance
Benefits Measures	
First Payment Promptness: % of *all* 1st payments within 14/21 days after the compensable week (excludes workshare, DUA, retroactive payments)	≥87
Nonmonetary Determination Time Lapse: % of Separations and Nonseparations within 21 days of Detection Date	≥80 (combined score)
Nonmonetary Determination Quality- Nonseparations: % of *Nonseparation* Determinations with Quality Scores equal to or greater than 95 points	≥75
Nonmonetary Determination Quality- Separations: % of *Separation* Determinations with Quality Scores equal to or greater than 95 points	≥75
Overpayment Measure	
Detection of Overpayments: % of detectable/recoverable overpayments established for recovery	≥50 and ≤95% of detectable/recoverable overpayments are established for recovery
UI Overpayment Recovery Measure	55%
Appeals Measures	
Average Age of Pending Lower Authority Appeals:	≤30 Days
Average Age of Pending Higher Authority Appeals:	≤40 Days
Lower Authority Appeals Quality: % of Lower Authority Appeals with Quality Scores at least 85% of potential points	≥80
Tax Measures	
New Employer Status Determinations Time Lapse: % of New Status Determinations within 90 days of Quarter End Date	≥70
Tax Quality: assessment of the accuracy and completeness of the tax program	No more than 3 tax functions failing TPS in a year
	The same tax function cannot fail for 3 consecutive years
Effective Audit Measure	Score >=7;and exceed all 4 factors
Reemployment Measure	
Facilitate Reemployment: % of UI claimants who are reemployed within the quarter following their first UI payment	Varies by State See UIPL 17-08
Integrity Measure	
UI Integrity Measure - BYE: % of BYE estimated by the BAM survey.	Varies by State See UIPL 34-11
Improper Payments Measure	< 10%

Secretary Standards in Regulation [1]	Criteria
First Payment Promptness *(Regulation)*: % of 1st Payments within 14/21 days: IntraState UI, full weeks	≥87
First Payment Promptness *(Regulation)*: % of 1st Payments within 35 days: IntraState UI, full weeks	≥93
First Payment Promptness *(Regulation)*: % of 1st Payments within 14/21 days: InterState UI, full weeks	≥70
First Payment Promptness *(Regulation)*: % of 1st Payments within 35 days: InterState UI, full weeks	≥78
Lower Authority Appeals *(Regulation):* % decided within 30 days of filing	≥60
Lower Authority Appeals *(Regulation):* % decided within 45 days of filing	≥80

1 The criteria for measures of Secretary's Standards are currently in regulation and will remain in effect until the regulation is replaced.

UI Performs Management Information Measures

Secretary's Standards

1. First Payments Intrastate full weeks, within 14/21 days
2. First Payments Intrastate full weeks, within 35 days
3. First Payments Interstate full weeks, within 14/21 days
4. First Payments Interstate full weeks, within 35 days
5. Lower Authority Appeals Timeliness – 30 Days
6. Lower Authority Appeals Timeliness – 45 Days

Tax Measures

1. New Status Determination Timeliness (within 180 days of Quarter Ending Date)
2. Successor Status Determination Timeliness (within 90 days of Quarter Ending Date)
3. Successor Status Determination Timeliness (within 180 days of Quarter Ending Date)
4. Contributory Employer Report Filing Timeliness
5. Reimbursing Employer Report Filing Timeliness
6. Secured Delinquent Contributory Reports Timeliness
7. Secured Delinquent Reimbursing Reports Timeliness
8. Resolved Delinquent Contributory Reports Timeliness
9. Resolved Delinquent Reimbursing Reports Timeliness
10. Contributory Employer Payments Timeliness
11. Reimbursing Employer Payments Timeliness
12. Percent of Contributory Employer Tax Due Declared Uncollectible
13. Percent of Reimbursing Employer Receivables Due Declared Uncollectible
14. Percent of Contributory Employer Accounts Receivable At End of Report Period to Tax Due
15. Percent of Reimbursing Employer Accounts Receivable At End of Report Period to Tax Due
16. Percent of Change in Total Wages Resulting from Audit
17. Percent of Contributory Employers Audited
18. Percent of Total Wages Audited (Annualized)
19. Accuracy of New Status Determination
20. Accuracy of Successor Determination
21. Accuracy of Status Inactivations
22. Timeliness of Cashiering
23. Accurate Identification and Resolution of Report Delinquency
24. Accurate Identification and Resolution of Accounts Receivable
25. Audits to Meet ESM Requirements
26. Accuracy of Contribution Report Processing
27. Accuracy of Debits and Billings of Contributory Employers
28. Accuracy of Debits and Billings of Reimbursing Employers
29. Accuracy of Credits and Refunds

30. Accuracy of Benefit Charging
31. Accuracy of Experience Rating

Cash Management Measures

1. Average Days on Deposit
2. Timeliness of transfer from clearing account to Trust Fund

Benefits Measures

Timeliness of Payments and Nonmonetary Determinations

1. First Payments Intrastate full weeks
2. First Payments Interstate full weeks
3. First Payments Intrastate, all weeks
4. First Payments Interstate, all weeks
5. First Payments, partial weeks
6. First Payments, UCFE
7. First Payments, UCX
8. First Payments, workshare
9. Continued Weeks Payment, all weeks
10. Continued Weeks Payment, partial weeks
11. Continued Weeks Payments, workshare
12. Intrastate Separation Determinations
13. Intrastate Nonseparation Determinations
14. Interstate Separation Determinations
15. Interstate Nonseparation Determinations

Combined Wage Claims Timeliness Measures

1. Combined Wage Claim Wage Transfer
2. Combined Wage Claim Billing
3. Combined Wage Claim Reimbursements

Benefits Accuracy Measures

1. Paid Claim Accuracy
2. Denied Claim Accuracy
3. Operational Overpayment Rates

Benefit Payment Control Measures

1. Fraud Overpayment Recovery Rate
2. Nonfraud Overpayment Recovery Rate

Appeals Measures

Appeals Timeliness Measures and Case Aging Measures

1. Lower Authority Appeals Timeliness
2. Higher Authority Appeals Timeliness
3. Lower Authority Appeals, Case Aging
4. Higher Authority Appeals, Case Aging

Appeals Quality Measure

1. Lower Authority Appeals Quality - Due Process

Macroeconomic Stabilization Measures

1. Recipiency Rates
2. Exhaustion Rates

Unemployment Insurance Programs and Other Measures

1. Unemployment Compensation for Federal Employees (UCFE)
2. Unemployment Compensation for ex-Service Members (UCX)
3. Benefit Payment Control (BPC)
4. Internal Security (IS)
5. UI Automation Support Account (UIASA)
6. State Audits
7. Benefit Accuracy Measurement (BAM)
8. National Directory of New Hires (NDNH)
9. Tax Performance System (TPS)
10. Data Validation (DV)
11. Benefits, Timeliness, and Quality (BTQ)
12. Reporting Delinquencies
13. UI Program Integrity

APPENDIX IV

INFORMATION TECHNOLOGY SECURITY GUIDELINES[1]

1 The information in this appendix is attributed to National Institute of Standards and Technology (NIST) Special Publications (SP) and Federal Information Processing Standards (FIPS). These publications can be found on the NIST website, http://csrc.nist.gov/publications/PubsSPs.html, and http://csrc.nist.gov/publications/PubsFIPS.html, respectively. The key NIST documents are listed below:

NIST SP 800-18, *Guide for Developing Security Plans for Federal Information Systems;*
NIST SP 800-30, *Guide for Conducting Risk Assessments;*
NIST SP 800-34, *Contingency Planning Guide for Information Technology Systems;*
NIST SP 800-53, *Security and Privacy Controls for Federal Information Systems and Organizations;*
NIST SP 800-100, *Information Security Handbook: A Guide for Managers;*
FIPS Pub 199, *Standards for Security Categorization of Federal Information and Information Systems;*
FIPS Pub 200, *Minimum Security Requirements for Federal Information and Information Systems;*

INFORMATION TECHNOLOGY (IT) CONTINGENCY PLANNING

Contingency planning for information systems is a required process for developing general support systems (GSS) and major applications (MA) with appropriate backup methods and procedures for implementing data recovery and reconstitution against IT risks. Risks to information systems may be natural, technological, or human in nature.

Contingency planning refers to interim measures to recover IT services following an emergency or system disruption. Interim measures may include the relocation of IT systems and operations to an alternate site, the recovery of IT functions using alternate equipment, or the performance of IT functions using manual methods.

The capability to recover and reconstitute data should be integral to the information system design concept during the Initiation phase of Software Development Life Cycle of a system. Recovery strategies should be built into the architecture of the system during the Development phase. The contingency processes should be tested and maintained during the Implementation phase; contingency plans should be exercised and maintained during the Operations/Maintenance phase.

NIST SP 800-34, *Contingency Planning Guide for Information Technology Systems*, details a seven-step methodology for developing an IT contingency process and plan. These seven steps are summarized below:

Step 1: Develop Contingency Planning Policy Statement

A formal department or agency policy provides the authority and guidance necessary to develop an effective contingency plan. The statement should define the agency's overall contingency objectives; identify leadership, roles and responsibilities, resource requirements, test, training, and exercise schedules; and develop maintenance schedules and determine the minimum required backup frequency.

Step 2: Conduct Business Impact Analysis

A business impact analysis (BIA) is a critical step to understanding the information systems components, interdependencies, and potential downtime impacts. The BIA helps to identify and prioritize critical IT systems and components. Contingency plan strategy and procedures should be designed in consideration of the results of the BIA.

A BIA is conducted by identifying the system's critical resources. Each critical resource is then further examined to determine how long functionality of the resource could be withheld from the information system before an unacceptable impact is experienced. The impact may be something that materializes over time or may be tracked across related

resources and dependent systems (e.g., cascading domino effect). The time identified is called a maximum allowable outage (MAO). Based on the potential impacts, the amount of time the information system can be without the critical resource then provides a recourse recovery priority around which an organization can plan recovery activities. The balancing point between the MAO and the cost to recover establishes the information system's recovery time objective (RTO). Recovery strategies must be created to meet the RTO. The strategy must also address recovering information system critical components within a priority, as established by their individual RTOs.

Step 3: Identify Preventive Controls

In some cases, implementing preventive controls might mitigate outage impacts identified by the BIA. Preventive controls are measures that detect, deter, and/or reduce impacts to the system. When cost-effective, preventing an impact is desired over implementing recovery strategies (and therefore risking data loss and impact to the organization). Preventive measures are specific to individual components and the environment in which the components operate. Common controls include:

- Uninterruptible power supply (UPS);
- Fire suppression systems;
- Gasoline or diesel-powered generators;
- Air conditioning systems with excess capacity to permit failure of certain components;
- Heat-resistant and waterproof containers for backup media and vital non-electronic records; and
- Frequent, scheduled data backups.

Step 4: Develop Recovery Strategies

When a disruption occurs despite the preventive measures implemented, a recovery strategy must be in place to recover and restore data and system operations within the RTO period. The recovery strategy is designed from a combination of methods, which together address the full spectrum of information system risks. The most cost-effective option, based on potential impact, should be selected and integrated into the information system architecture and operating procedures.

System data must be backed up regularly; therefore, all IT contingency plans should include a method and frequency for conducting data backups based on system criticality. Data that is backed up may need to be stored offsite and rotated frequently, depending upon the criticality of the system.

Major disruptions to system operations may require restoration activities to be implemented at an alternate site. The type of alternate site selected must be based on RTO requirements and budget limitations. Equipment for recovering and/or replacing the information system must be provided as part of the recovery strategy. Cost, delivery time, and compatibility factors must also be considered when determining how to provide

the necessary equipment. Agencies must also plan for an alternate site that, at a minimum, provides workspace for all contingency plan personnel, equipment, and the appropriate IT infrastructure necessary to execute IT contingency plan and system recovery activities.

The recovery strategy requires personnel to implement the procedures and test operability. Generally, a member of the organization's senior leadership is selected to activate the plan and lead overall recovery operations. Appropriate teams of personnel (at least two people to ensure there is a primary and alternate available to execute procedures) are identified to be responsible for specific aspects of the plan. Personnel should be chosen to staff the teams based on their normal responsibilities, system knowledge, and availability to recover the system on an on-call basis. A line of succession should be defined to ensure that someone could assume the role of senior leadership if the plan leader is unable to respond.

Step 5: Develop IT Contingency Plan

Procedures for executing the recovery strategy are outlined in the IT contingency plan. The plan must be written in a format that will provide the users (recovery team leadership and members) the context in which the plan is to be implemented and the direct procedures, based on role, to execute.

The NIST SP 800-34presents a sample format for developing an IT contingency plan. The format defines three main phases that govern the actions to be taken following a system disruption. The **Notification/Activation** phase describes the process of notifying recovery personnel and performing a damage assessment. The **Recovery** phase discusses a suggested course of action for recovery teams and personnel to restore IT operations at an alternate site or using contingency capabilities. The final phase, **Reconstitution**, outlines actions that can be taken to return the system to normal operating conditions. Additionally, the format contains the Supporting Information and Appendices components, which provide supplemental information necessary to understand the context in which the plan is to be used and gives additional information that, may be necessary to execute procedures (e.g., emergency contact information and the BIA).

Step 6: Plan Testing, Training, and Exercises

Personnel selected to execute the IT contingency plan must be trained to perform the procedures, the plan must be exercised, and the system strategy must be tested.

Plan testing should include:

• System recovery on an alternate platform from backup media	• System performance using alternate equipment
• Coordination among recovery teams	• Restoration of normal operations
• Internal and external connectivity	• Notification procedures

Personnel training should include:

• Purpose of the plan	• Security requirements
• Cross-team coordination and communication	• Team-specific processes
• Reporting procedures	• Individual responsibilities

Plan exercises should be designed to examine, individually and then collectively, various components of the entire plan. Exercises may be conducted in a classroom setting: discussing specific components of the plan and/or impact issues; or they may be functional exercises: simulating the recovery using actual replacement equipment, data, and alternate sites.

Step 7: Plan Maintenance

The IT contingency plan must always be maintained in a ready state for use immediately upon notification. At least, annual reviews of the plan must be conducted to ensure that key personnel and vendor information, system components and dependencies, the recovery strategy, vital records, and operational requirements are up to date. While some changes may be obvious (e.g., personnel turnover or vendor changes), others will require analysis. The BIA should be reviewed periodically and updated with new information to identify new contingency requirements and priorities. Changes made to the plan are noted in a record of changes, dated, and signed or initialed by the person making the change. The revised plan, or plan sections are circulated to those with plan responsibilities. Because of the impact that plan changes may have on interdependent business processes or information systems, the changes must be clearly communicated and properly annotated in the beginning of the document.

Risk Management

An effective risk management process is an important component of a successful information security program. The principal goal of an organization's risk management process is to protect the organization and its ability to perform its mission, not just its information assets. Risk Management is an essential management function of the organization that is tightly woven into the system development life cycle (SDLC). Because risk cannot be eliminated entirely, the risk management process allows information security program managers to balance the operational and economic costs of protective measures and achieve gains in mission capability. By employing practices and procedures designed to foster informed decision-making, agencies help protect their information systems and the data that support their own mission.

NIST SP 800-30, *Guide for Conducting Risk Assessments*, provides for the development of an effective risk management program.

Risk management is an aggregation of three processes:

1. Risk Assessment,
2. Risk Mitigation, and
3. Evaluation and Assessment.

These three processes are summarized below:

Risk Assessment

The goal of the risk assessment process is to identify and assess the risks to a given environment. The depth of the risk assessment performed can vary greatly and is determined by the criticality and sensitivity of the system, as applied to confidentiality, integrity, and availability. To meet the goal of the risk assessment, a process is divided into following steps:

Step 1: System Characterization

Characterizing an information system establishes the scope of the risk assessment effort, delineates the operational authorization boundaries, and provides information. This step begins with the identification of the information system boundaries, resources, and information.

When characterizing the system, the mission criticality and sensitivity are described in sufficient terms to form a basis for the scope of the risk assessment. Various techniques, such as questionnaires, interviews, documentation reviews, and automated scanning tools, can be used to collect the information needed to characterize the system completely. At a minimum, the system characterization describes the following individual system components:

- Hardware;
- Software;
- External interfaces to other systems;
- Data; and
- People.

In addition to the component descriptions, the system characterization describes other factors with the potential to affect the security of the system, such as:

- System functional requirements;
- Organizational security policy and architecture;
- System network topology;
- Information flows throughout the system;
- Management, operational, and technical security controls implemented or planned to be implemented for the system; and
- Physical and environmental security mechanisms.

Step 2: Threat Identification

Threat identification consists of identifying threat sources with the potential to exploit weaknesses in the system. The threat statement must be tailored to the individual organization and its processing environment (e.g., end-user computing habits), which is accomplished by performing a threat evaluation, using the system characterization as the basis, for the potential to cause harm to the system.

There are common threat sources that typically apply, regardless of the system, and should be evaluated. These common threats can be categorized into three areas:

- Natural threats (e.g., floods, earthquakes, tornadoes, landslides, avalanches, electrical storms),
- Human threats (intentional or unintentional), and
- Environmental threats (e.g., power failure).

In general, information on natural threats (e.g., floods, earthquakes, storms) should be readily available, as known threats have been identified by many government and private sector organizations. Intrusion detection tools also are becoming more prevalent, and government and industry organizations continually collect data on security events, thereby improving the ability to assess threats realistically.

Step 3: Vulnerability Identification

Vulnerability is defined as "a flaw or weakness in system security procedures, design, implementation, or internal controls that could be exercised (accidentally triggered or intentionally exploited) and result in a security breach or a violation of the system's security policy". Vulnerabilities can be identified using a combination of a number of techniques and sources. Reviews of such sources as previous risk assessments, audit

reports, vulnerability lists, and security advisories can be used to begin the process of vulnerability identification. System security testing, using methods such as automated vulnerability scanning tools; security, test, and evaluation (ST&E); and penetration testing can be used to augment the vulnerability source reviews and identify vulnerabilities that may not have been previously identified in other sources.

In addition, developing a security requirements checklist based on the security requirements specified for the system during the conceptual, design, and implementation phases of the SDLC can be used to provide a 360-degree inspection of the system. The checklist developed must ensure the inclusion of appropriate questions in the areas of management, operational and technical security controls. The results of the checklist can be used as input for evaluating compliance and noncompliance, which in turn identifies system, process, and procedural weaknesses that represent potential vulnerabilities.

Step 4: Risk Analysis

The risk analysis is a determination (or estimation) of risk to the system, an analysis that requires the consideration of closely interwoven factors, such as the security controls in place for the system under review, the likelihood that those controls will be either insufficient or ineffective protection of the system, and the impact of that failure. The following four steps—control analysis, likelihood determination, impact analysis, and risk determination—are, in a practical sense, performed simultaneously or nearly simultaneously because they are so tightly linked to each other.

1. Control Analysis

As previously discussed, the analysis of controls in place to protect the system can be accomplished using a checklist or questionnaire, which is based on the security requirements for the system. The checklist also provides guidance on testing security controls. The results are used to strengthen the determination of the likelihood that a specific threat might successfully exploit a particular vulnerability.

2. Likelihood Determination

Likelihood determination considers a threat source's motivation and capability to exploit vulnerability, the nature of the vulnerability, the existence of security controls, and the effectiveness of mitigating security controls. Likelihood ratings are described in the qualitative terms of high, moderate, and low, and are used to describe how likely a successful exploitation of a vulnerability is by a given threat. For example, if a threat is highly motivated and sufficiently capable, and controls implemented to protect the vulnerability are ineffective, then it is highly likely that the attack would be successful. In this scenario, the appropriate likelihood rating would be high. The likelihood ratings of moderate and low are similarly defined to successively lesser degrees.

3. Impact Analysis

The third factor used in determining the level of risk to a system is impact. A proper overall impact analysis considers the following factors: impact to the systems, data, and the organization's mission. Additionally, this analysis should also consider the criticality and sensitivity of the system and its data for the three security domains of confidentiality, integrity, and availability. Tools such as mission-impact reports, asset criticality assessment reports, and business impact analyses results in a rating describing the estimated impact to the system and organization should a threat successfully exploit vulnerability. While impact can be described using either a quantitative or qualitative approach, in the context of information technology (IT) systems and data, impact is generally described in qualitative terms. As with the ratings used to describe likelihood, impact levels are described using the terms of high, moderate, and low. NIST SP 800-30 provides definitions for the impact ratings of low, medium, and high.

4. Risk Determination

Once the ratings for likelihood and impact have been determined through appropriate analyses, the level of risk to the system and the organization can be derived by multiplying the ratings assigned for threat likelihood (e.g., probability) and threat impact. NIST SP 800-30 provides how to calculate an overall risk rating using inputs from the threat likelihood and impact categories.

Step 5: Control Recommendations

The goal of the control recommendations is to reduce the level of risk to the information system and its data to a level the organization deems acceptable. These recommendations are essential input for the risk mitigation process, during which the recommended procedural and technical security controls are evaluated, prioritized, and implemented. This step is designed to help agencies identify and select controls appropriate to the organization's operations and mission that could mitigate or eliminate the risks identified in the preceding steps. The following factors should be considered in recommending controls and alternative solutions to minimize or eliminate identified risks:

Effectiveness of recommended options (e.g., system compatibility):

- Legislation and regulation;
- Organizational policy;
- Operational impact; and
- Safety and reliability.

Step 6: Results Documentation

The risk assessment report is the mechanism used to report the results formally of all

risk assessment activities. The intended function of this report is to describe and document the risk posture of the system while it is operating in its stated environment (as described in the system characterization) and to provide organization managers with sufficient information so that they can make sound, risk-based decisions, such as resources that must be allocated to the risk mitigation phase. Lastly, the agency should ensure that the results of the risk assessment are appropriately reflected in the system's Plan of Action and Milestones (POA&M) and System Security Plan.

At a minimum, the risk assessment report should describe the following:

- Scope of the assessment based on the system characterization;
- Methodology used to conduct the risk assessment;
- Individual observations resulting from conducting the risk assessment; and
- Estimation of the overall risk posture of the system.

The risk assessment process is usually repeated at least every three years. However, risk assessments should be conducted and integrated into the SDLC for information systems.

Risk Mitigation

The second phase of the risk management process is risk mitigation. Because it is impractical, if not impossible, to eliminate all risk from a system, risk mitigation strives to prioritize, evaluate, and implement the appropriate risk-reducing controls recommended from the risk assessment process. Managers may use several options to reduce the risk to a system. These options are risk assumption; risk avoidance; risk limitation; risk planning, research, and acknowledgement; and risk transference.

A straightforward strategy can be used to determine whether risk mitigation actions are necessary. Working from each risk identified and analyzed in the first process—risk assessment—managers must then decide whether the risk is acceptable or unacceptable and, subsequently, whether to implement additional controls or not to mitigate unacceptable risks. Once the decision has been made on which risks are to be addressed in the risk mitigation process, a seven-step approach is used to guide the selection of security controls:

1. Prioritize actions;
2. Evaluate recommended control options;
3. Conduct cost-benefit analyses;
4. Select controls;
5. Assign responsibility;
6. Develop a safeguard implementation plan; and
7. Implement selected control(s).

The process of selecting controls to mitigate identified risks to an acceptable level is based on the security categorization of the system. For new systems, once the security controls for the system have been identified and refined and an initial risk assessment

conducted, the selected controls must be implemented. For legacy systems, the security controls that are selected are verified.

Organizations can leverage controls used among multiple systems by designating them as common controls where implementation, assessment, and monitoring is conducted at an organizational level or by areas of specific expertise (e.g., human resources, physical security, building management). The system owner must understand who is responsible for implementing these controls and identify the risk that this extension of trust will generate.

Because it is impracticable to eliminate all risk, it is important to note that even after the controls have been selected and implemented, some degree of residual risk will remain. The remaining residual risk should be analyzed to ensure that it is at an acceptable level. After the appropriate controls have been put in place for the identified risks, the authorizing official should sign a statement accepting any residual risk. Either the official should authorize the operation of the new information system or request continued processing of the existing information system. If the residual risk has not been reduced to an acceptable level, the risk management cycle must be repeated to identify a way of lowering the residual risk to an acceptable level.

Evaluation and Assessment

The third and final phase in the risk management process is evaluation and assessment. The art of risk management in today's dynamic and constantly changing IT environments must be ongoing and continuously evolving. Systems are upgraded and expanded, components are improved, and architectures are constantly evolving.

The evaluation and assessment of security controls' effectiveness must be performed. The results are used to provide an Authorizing Official with the essential information needed to make a credible, risk-based decision on whether to authorize the operation of the information system. The reuse of assessment data will not only save valuable resources, but also provide the most up-to-date risk information for the authorizing official.

Many of the risk management activities are conducted during a snapshot in time—a static representation of a dynamic environment. All the changes that occur to systems during normal, daily operations have the potential to affect the security of the system adversely in some fashion, and it is the goal of the risk management evaluation and assessment process to ensure that the system continues to operate in a safe and secure manner. This goal can be partially reached by implementing a strong configuration management program. In addition to monitoring the security of an information system on a continuous basis, agencies must track findings from the security control assessment to ensure they are addressed appropriately and do not continue to pose or introduce new risks to the system.

System Security Planning

The objective of system security planning is to improve the protection of information system resources. The protection of a system must be documented in a system security plan. The purpose of the system security plan is to provide an overview of the security requirements of the system and describe the controls in place or planned for meeting those requirements. The system security plan also delineates responsibilities and expected behavior of all individuals who access the system. It should reflect input from various managers with responsibilities concerning the system.

NIST SP 800-18 *Guide for Developing Security Plans for Federal Information Systems*, provides basic information on how to prepare a system security plan in accordance with applicable federal requirements, and it is easily adaptable to a variety of organizational structures.

Program managers, system owners, and security personnel in the organization must understand the system security planning process. In addition, users of the information system and those responsible for defining system requirements should also be familiar with the system security planning process, as the system security plan is an important deliverable in the SDLC process. Those responsible for implementing and managing information systems must participate in addressing security controls to be applied to their systems.

Applications

All information systems must be covered by a system security plan. Systems can be labeled as a major application (MA) or general support system (GSS). MA is defined as an application that requires special attention to security due to the risk and magnitude of harm resulting from the loss, misuse, or unauthorized access to or modification of the information in the application. GSS is defined as an interconnected set of information resources under the same direct management control that shares common functionality. It normally includes hardware, software, information, data, applications, communications, and people. A minor application is an application, other than major application, that requires attention to security due to the risk and magnitude of harm resulting from the loss, misuse, or unauthorized access to or modification of the information in the application. Minor applications are typically included as part of a GSS.

Security Planning Roles and Responsibilities

Agencies should develop policy on the system security planning process. System security plans are living documents that require periodic review, modification, and plans of action and milestones (POA&M) for implementing security controls. Procedures should be in place outlining who reviews the plans, keeps the plan current, and follows up on planned security controls.

The roles and responsibilities in this section are specific to information system security planning.

Chief Information Officer

The chief information officer (CIO) is the agency official responsible for developing and maintaining an agency-wide information security program and has the following system security planning responsibilities:

Designating a Senior Agency Information Security Officer (SAISO) who shall carry out the CIO's responsibilities for system security planning such as:

- Developing and maintaining information security policies, procedures, and control techniques to address system security planning;
- Managing the identification, implementation, and assessment of common security controls;
- Ensuring that personnel with significant responsibilities for system security plans are trained;
- Assisting senior agency officials with their responsibilities for system security plans; and
- Identifying and developing common security controls for the agency.

Information System Owner

The information system owner is the agency official responsible for the overall procurement, development, integration, modification, and operation and maintenance of the information system. The information system owner has the following responsibilities related to system security plans:

- Developing the system security plan in coordination with information owners, the system administrator, the information system security officer (ISSO), the SAISO, and functional "end users";
- Maintaining the system security plan and ensuring that the system is deployed and operated according to the agreed-upon security requirements; and
- Ensuring that system users and support personnel receive the requisite security training (e.g., instruction in rules of behavior) and assisting in the identification, implementation, and assessment of the common security controls.

Information Owner

The information owner is the agency official with statutory or operational authority for specified information and is responsible for establishing the controls for information generation, collection, processing, dissemination, and disposal. The information owner has the following responsibilities related to system security plans:

- Establishing the rules for the appropriate use and protection of the subject data/information (rules of behavior);
- Providing input to information system owners on the security requirements and security controls for the information systems where the information resides;
- Deciding who has access to the information system and determining what types of privileges or access rights; and
- Assisting in identifying and assessing the common security controls where the information resides.

Senior Agency Information Security Officer

The SAISO is the agency official responsible for serving as the CIO's primary liaison to the agency's information system owners and ISSOs. The SAISO has the following responsibilities related to system security plans:

- Carrying out the CIO's responsibilities for system security planning;
- Coordinating the development, review, and acceptance of system security plans with information system owners, ISSOs, and the authorizing official;
- Coordinating the identification, implementation, and assessment of the common security controls; and
- Possessing professional qualifications, including training and experience, required to develop and review system security plans.

Information System Security Officer

The ISSO is the agency official assigned responsibility by the SAISO, authorizing official, management official, or information system owner for ensuring that the appropriate operational security posture is maintained for an information system or program. The ISSO has the following responsibilities related to system security plans:

- Assisting the SAISO in identifying, implementing, and assessing the common security controls; and
- Actively supporting the development and maintenance of the system security plan, to include coordinating system changes with the information system owner and assessing the security impact of those changes.

Rules of Behavior

The rules of behavior should clearly delineate responsibilities and expected behavior of all individuals with access to the system. The rules should state the consequences of inconsistent behavior or noncompliance and be made available to every user prior to receiving authorization for system access. It is required that the rules contain a signature page for each user to acknowledge receipt, indicating that they have read, understand, and agree to abide by the rules of behavior. Electronic signatures are acceptable for use in acknowledging the rules of behavior.

Following lists the examples of what should be covered in typical rules of behavior:

- Delineate responsibilities, expected use of system, and behavior of all users
- Describe appropriate limits on interconnections
- Define service provisions and restoration priorities
- Be clear on consequences of behavior not consistent with rules

It covers the following topics:

- Work at home
- Dial-in access
- Connection to the Internet
- Use of copyrighted work
- Unofficial use of government equipment
- Assignment and limitations of system privileges and individual accountability
- Password usage
- Searching databases and divulging information

Agencies can incorporate, by reference, the agency body of policies and procedures governing information security and other applicable policies in the text of the rules of behavior.

System Security Plan Approval

Organizational policy should clearly define who is responsible for system security plan approval and procedures developed for plan submission, including any special memorandum language or other documentation required by the agency.

System Boundary Analysis and Security Controls

Before the system security plan is developed, the information system as well as the information itself should be categorized based on impact analysis. NIST issued FIPS 199, *Standards for Security Categorization of Federal Information and Information Systems* to develop standards for categorizing information and information systems. Refer to FIPS Publication 199 for more information on system categorization. Then a determination can be made as to which systems in the inventory can be logically grouped into GSSs or MAs. The FIPS 199 impact levels should be considered when the system boundaries are drawn and when selecting the initial set of security controls (e.g., control baseline). The baseline security controls can then be tailored based on an assessment of risk and local conditions, including organization-specific security requirements, specific threat information, cost-benefit analyses, the availability of compensating controls, or special circumstances. Common security controls, which is one of the tailoring considerations, must be identified prior to system security plan preparation to identify those controls covered at the agency level that are not system-specific. These common security controls can then be incorporated into the system security plan by reference.

Security Controls

FIPS 200, *Minimum Security Requirements for Federal Information and Information Systems* provides seventeen minimum-security requirements for the information systems. The requirements represent a broad-based, balanced information security program that addresses the management, operational, and technical aspects of protecting the confidentiality, integrity, and availability of the information and information systems. An agency should meet the minimum-security requirements in this standard by applying security controls selected in accordance with NIST SP 800-53, *Recommended Security Control for Federal Information Systems* and the designated impact levels of the information systems. An agency has the flexibility to tailor the security control baseline in accordance with the terms and conditions set forth in the standard. Tailoring activities include:

(1) the application of scoping guidance,
(2) the specification of compensating controls, and
(3) the specification of agency-defined parameters in the security controls, where allowed. The system security plan should document all tailoring activities.

Scoping Guidance

Scoping guidance provides an agency with specific terms and conditions on the applicability and implementation of individual security controls in the security control baselines defined in NIST SP 800-53. System security plans should clearly identify which security controls used scoping guidance. In addition, system security plans should include a description of the type of considerations that were made.

Compensating Controls

Compensating security controls are the management, operational, or technical controls used by an agency in lieu of prescribed controls in the low, moderate, or high security control baselines, which provide equivalent or comparable protection for an information system. Compensating security controls for an information system should be used by an agency only under the following conditions:

(1) The agency selects the compensating controls from the security control catalog in NIST SP 800-53;
(2) The agency provides a full and complete rationale and justification for how the compensating controls provide an equivalent security capability or level of protection for the information system; and
(3) The agency assesses and formally accepts the risk associated with using the compensating controls in the information system.

Common Security Controls

An agency-wide view of the information security program facilitates the identification of

common security controls that can be applied to one or more agency information systems. Common security controls can apply to all agency information systems; a group of information systems at a specific site; or common information systems, subsystems, or applications (i.e., common hardware, software, and/or firmware) deployed at multiple operational sites. Common security controls are typically identified during a collaborative agency-wide process that involves the CIO, SAISO, authorizing officials, information system owners, and ISSOs.

For efficiency in developing system security plans, common security controls should be documented once and then inserted or imported into each system security plan for the information systems within the agency.

Security Control Selection

An agency should meet the minimum-security requirements in FIPS 199 by selecting the appropriate security controls and assurance requirements as described in NIST SP 800-53. The process of selecting the appropriate security controls and assurance requirements for agency information systems to achieve adequate security is a multifaceted, risk-based activity involving management and operational personnel within the agency. Subsequent to the security categorization process, an agency must select an appropriate set of security controls for their information systems that satisfy the minimum-security requirements set forth in FIPS 200. The selected set of security controls must be one of three security control baselines from NIST SP 800-53 (see Table below) that are associated with the designated impact levels of the agency information systems as determined during the security categorization process.

FIPS 199 Categorization

	Potential Impact		
Security Objective	**Low**	**Moderate**	**High**
Confidentiality Preserving authorized restrictions on information access and disclosure, including means for protecting personal privacy and proprietary information. [44 U.S.C., SEC. 3542]	The unauthorized disclosure of information could be expected to have a **limited** adverse effect on organizational operations, organizational assets, or individuals.	The unauthorized disclosure of information could be expected to have a **serious** adverse effect on organizational operations, organizational assets, or individuals.	The unauthorized disclosure of information could be expected to have a **severe or catastrophic** adverse effect on organizational operations, organizational assets, or individuals.
Integrity Guarding against improper information modification or destruction, and includes ensuring information non-repudiation and authenticity. [44 U.S.C., SEC. 3542]	The unauthorized modification or destruction of information could be expected to have a **limited** adverse effect on organizational operations, organizational assets, or individuals.	The unauthorized modification or destruction of information could be expected to have a **serious** adverse effect on organizational operations, organizational assets, or individuals.	The unauthorized modification or destruction of information could be expected to have a **severe or catastrophic** adverse effect on organizational operations, organizational assets, or individuals.

Availability Ensuring timely and reliable access to and use of information. [44 U.S.C., SEC. 3542]	The disruption of access to or use of information or an information system could be expected to have a **limited** adverse effect on organizational operations, organizational assets, or individuals.	The disruption of access to or use of information or an information system could be expected to have a **serious** adverse effect on organizational operations, organizational assets, or individuals.	The disruption of access to or use of information or an information system could be expected to have a **severe or catastrophic** adverse effect on organizational operations, organizational assets, or individuals.

Completion and Approval Dates

The completion date of the system security plan should be provided. The completion date should be updated whenever the plan is periodically reviewed and updated. The system security plan should also contain the date the authorizing official or the designated approving authority approves the plan.

Ongoing System Security Plan Maintenance

Once the information system security plan is approved, it is important to periodically assess the plan; review any change in system status, functionality, design, etc.; and ensure that the plan continues to reflect the correct information about the system. This documentation and its accuracy are imperative for system recertification and reaccreditation activity. All plans should be reviewed and updated, if appropriate, at least annually. Some items to include in the review are:

- Change in information system owner;
- Change in information security representative;
- Major change in system architecture;
- Change in system status;
- Additions/deletions of system interconnections;
- Change in system scope; and
- Change in authorizing official.

SAMPLE PLAN FORMATS

SAMPLE IT CONTINGENCY PLAN FORMAT

This sample format provides a template for preparing an information technology (IT) contingency plan. The template is intended to be used as a guide, and the Contingency Planning Coordinator should modify the format as necessary to meet the system's contingency requirements and comply with internal policies. Where practical, the guide provides instructions for completing specific sections. Text is added in certain sections; however, this information is intended only to suggest the type of information that may be found in that section. The text is not comprehensive and should be modified to meet specific agency and system considerations. The IT contingency plan should be marked with the appropriate security label, such as *Official Use Only*.

IT CONTINGENCY PLAN

1. INTRODUCTION

1.1 PURPOSE

This {*system name}* Contingency Plan establishes procedures to recover the {*system name}* following a disruption. The following objectives have been established for this plan:

- Maximize the effectiveness of contingency operations through an established plan that consists of the following phases:
  - *Notification/Activation phase* to detect and assess damage and to activate the plan
  - *Recovery phase* to restore temporary IT operations and recover damage done to the original system
  - *Reconstitution phase* to restore IT system-processing capabilities to normal operations.
- Identify the activities, resources, and procedures needed to carry out {*system name}* processing requirements during prolonged interruptions to normal operations.
- Assign responsibilities to designated *{Organization name}* personnel and provide guidance for recovering {*system name}* during prolonged periods of interruption to normal operations.
- Ensure coordination with other *{Organization name}* staff who will participate in the contingency planning strategies. Ensure coordination with external points of contact and vendors who will participate in the contingency planning strategies.

1.2 APPLICABILITY

The {*system name}* Contingency Plan applies to the functions, operations, and resources necessary to restore and resume {*Organization name}'s* {*system name}* operations as it is installed at *primary location name, City, State*. The {*system name}* Contingency Plan applies to *{Organization name}* and all other persons associated with *{system name}* as identified under Section 2.3, Responsibilities.
The *{system name}* Contingency Plan is supported by *plan name,* which provides the *purpose of plan.* Procedures outlined in this plan are coordinated with and support the *plan name,* which provides *purpose of plan.*

1.3 SCOPE
1.3.1 Planning Principles

Various scenarios were considered to form a basis for the plan, and multiple assumptions were made. The applicability of the plan is predicated on two key principles:

- *The {Organization name}'s* facility in *City, State,* is inaccessible; therefore, *{Organization name}* is unable to perform {*system name}* processing for the *Department*.
- A valid contract exists with the alternate site that designates that site in City, State, as the {Organization name}'s alternate operating facility.
  - {Organization name} will use the alternate site building and IT resources to recover {system name} functionality during an emergency that prevents access to the original facility.
  - The designated computer system at the alternate site has been configured to begin processing {system name} information.
  - The alternate site will be used to continue {system name} recovery and processing throughout the period of disruption, until the return to normal operations.

1.3.2 Assumptions

Based on these principles, the following assumptions were used when developing the IT Contingency Plan:

- The {system name} is inoperable at the {Organization name} computer center and cannot be recovered within 48 hours.
- Key {system name} personnel have been identified and trained in their emergency response and recovery roles; they are available to activate the {system name} Contingency Plan.
- Preventive controls (e.g., generators, environmental controls, waterproof tarps, sprinkler systems, fire extinguishers, and fire department assistance) are operational at the time of the disaster.
- Computer center equipment, including components supporting {system name}, are connected to an uninterruptible power supply (UPS) that provides 45 minutes to 1 hour of electricity during a power failure.
- {system name} hardware and software at the {Organization name} original site are unavailable for at least 48 hours.
- Current backups of the application software and data are intact and available at the offsite storage facility.
- The equipment, connections, and capabilities required to operate {system name} are available at the alternate site in City, State.
- Service agreements are maintained with {system name} hardware, software, and communications providers to support the emergency system recovery.

The {system name} Contingency Plan does not apply to the following situations:

- **Overall recovery and continuity of business operations.** The Business Resumption Plan (BRP) and Continuity of Operations Plan (COOP) are appended to the plan.
- **Emergency evacuation of personnel.** The Occupant Evacuation Plan (OEP) is appended to the plan.
- *Any additional constraints should be added to this list*.

1.4 REFERENCES/REQUIREMENTS

This {system name} Contingency Plan complies with the {Organization name}'s IT contingency planning policy as follows:

> *The organization shall develop a contingency planning capability to meet the needs of critical supporting operations in the event of a disruption extending beyond 72 hours. The procedures for execution of such a capability shall be documented in a formal contingency plan and shall be reviewed at least annually and updated as necessary. Personnel responsible for target systems shall be trained to execute contingency procedures. The plan, recovery capabilities, and personnel shall be tested to identify weaknesses of the capability at least annually.*

The {system name} Contingency Plan also complies with the following federal and departmental policies:

- The Computer Security Act of 1987
- OMB Circular A-130, Management of Federal Information Resources, Appendix III, November 2000.
- Federal Preparedness Circular (FPC) 65, Federal Executive Branch Continuity of Operations, July 1999
- Presidential Decision Directive (PDD) 67, Enduring Constitutional Government and Continuity of Government Operations, October 1998
- PDD 63, Critical Infrastructure Protection, May 1998
- Federal Emergency Management Agency (FEMA), The Federal Response Plan (FRP), April 1999
- Defense Authorization Act (Public Law 106-398), Title X, Subtitle G, "Government Information Security Reform," October 30, 2000
- Any other applicable federal policies should be added
- Any other applicable departmental policies should be added.

1.5 RECORD OF CHANGES

Modifications made to this plan since the last printing are as follows:

Record of Changes			
Page No.	**Change Comment**	**Date of Change**	**Signature**

2. CONCEPT OF OPERATIONS

2.1 SYSTEM DESCRIPTION AND ARCHITECTURE

Provide a general description of system architecture and functionality. Indicate the operating environment, physical location, general location of users, and partnerships with external organizations/systems. Include information regarding any other technical considerations that are important for recovery purposes, such as backup procedures. Provide a diagram of the architecture, including security controls and telecommunications connections.

2.2 LINE OF SUCCESSION

The *{organization name}* sets forth an order of succession, in coordination with the order set forth by the *department* to ensure that decision-making authority for the {*system name*} Contingency Plan is uninterrupted. The Chief Information Officer (CIO), {*organization name*} is responsible for ensuring the safety of personnel and the execution of procedures documented within this {*system name*} Contingency Plan. If the CIO is unable to function as the overall authority or chooses to delegate this responsibility to a successor, the Deputy CIO shall function as that authority. *Continue description of succession as applicable.*

2.3 RESPONSIBILITIES

The following teams have been developed and trained to respond to a contingency event affecting the IT system.

The Contingency Plan establishes several teams assigned to participate in recovering *{system name}* operations. The *{team name}* is responsible for recovery of the *{system name}* computer environment and all applications. Members of the *team name* include personnel who are also responsible for the daily operations and maintenance of *{system name}*. The *team leader title* directs the *{team name}.*

Continue to describe each team, their responsibilities, leadership, and coordination with other applicable teams during a recovery operation.

The relationships of the team leaders involved in *system* recovery and their member teams are illustrated in Figure XX below.

> *(Insert hierarchical diagram of recovery teams. Show team names and leaders; do not include actual names of personnel.)*

Describe each team separately, highlighting overall recovery goals and specific responsibilities. Do not detail the procedures that will be used to execute these responsibilities. These procedures will be itemized in the appropriate phase sections.

3. NOTIFICATION AND ACTIVATION PHASE

This phase addresses the initial actions taken to detect and assess damage inflicted by a disruption to {*system name*}. Based on the assessment of the event, the plan may be activated by the Contingency Planning Coordinator.

> **In an emergency, the {*Organization name*}'s top priority is to preserve the health and safety of its staff before proceeding to the Notification and Activation procedures.**

Contact information for key personnel is located in Personnel Contact list appendix. The notification sequence is listed below:

- The first responder is to notify the *Contingency Planning Coordinator*. All known information must be relayed to the *Contingency Planning Coordinator*.
- The systems manager is to contact the *Damage Assessment Team Leader* and inform them of the event. The *Contingency Planning Coordinator* is to instruct the *Team Leader* to begin assessment procedures.
- The *Damage Assessment Team Leader* is to notify team members and direct them to complete the assessment procedures outlined below to determine the extent of damage and estimated recovery time. If damage assessment cannot be performed locally because of unsafe conditions, the *Damage Assessment Team* is to follow the outline below.

Damage Assessment Procedures:

(Detailed procedures should be outlined to include activities to determine the cause of the disruption; potential for additional disruption or damage; affected physical area and status of physical infrastructure; status of IT equipment functionality and inventory, including items that will need to be replaced; and estimated time to repair services to normal operations.)

- Upon notification from the *Contingency Planning Coordinator*, the *Damage Assessment Team Leader* is to …
- The *Damage Assessment Team* is to ….

Alternate Assessment Procedures:

- Upon notification from the *Contingency Planning Coordinator*, the *Damage Assessment Team Leader* is to …
- The *Damage Assessment Team* is to ….
  - When damage assessment has been completed, the *Damage Assessment Team Leader* is to notify the *Contingency Planning Coordinator* of the results.
  - The *Contingency Planning Coordinator* is to evaluate the results and determine whether the contingency plan is to be activated and if relocation is required.

- Based on assessment results, the *Contingency Planning Coordinator* is to notify assessment results to civil emergency personnel (e.g., police, fire) as appropriate.

The Contingency Plan is to be activated if one or more of the following criteria are met:

1. {*System name*} will be unavailable for more than 48 hours
2. Facility is damaged and will be unavailable for more than 24 hours
3. Other criteria, as appropriate.

- If the plan is to be activated, the *Contingency Planning Coordinator* is to notify all Team Leaders and inform them of the details of the event and if relocation is required.
- Upon notification from the *Contingency Planning Coordinator*, Team Leaders are to notify their respective teams. Team members are to be informed of all applicable information and prepared to respond and relocate if necessary.
- The *Contingency Planning Coordinator* is to notify the *off-site storage facility* that a contingency event has been declared and to ship the necessary materials (as determined by damage assessment) to the *alternate site*.
- The *Contingency Planning Coordinator* is to notify the Alternate site that a contingency event has been declared and to prepare the facility for the *Organization's* arrival.
- The *Contingency Planning Coordinator* is to notify remaining personnel (via notification procedures) on the general status of the incident.

4. RECOVERY OPERATIONS

This section provides procedures for recovering the application at the alternate site, whereas other efforts are directed to repair damage to the original system and capabilities. The following procedures are for recovering the {*system name*} at *the alternate site*. Procedures are outlined per team required. Each procedure should be executed in the sequence it is presented to maintain efficient operations.

Recovery Goal. *State the first recovery objective as determined by the Business Impact Assessment (BIA). For each team responsible for executing a function to meet this objective, state the team names and list their respective procedures.*

- *{team name}*
  - *Team Recovery Procedures*
- *{team name}*
  - *Team Recovery Procedures*
- *{team name}*
  - *Team Recovery Procedures*

Recovery Goal. *State the second recovery objective as determined by the BIA. For each team responsible for executing a function to meet this objective, state the team*

names and list their respective procedures.

- *{team name}*
  − *Team Recovery Procedures*
- *{team name}*
  − *Team Recovery Procedures*
- *{team name}*
  − *Team Recovery Procedures*

***Recovery Goal**. State the remaining recovery objectives (as determined by the BIA). For each team responsible for executing a function to meet this objective, state the team names and list their respective procedures.*

5. RETURN TO NORMAL OPERATIONS

This section discusses activities necessary for restoring {*system name*} operations at the {*Organization name*}'s original or new site. When the computer center at the original or new site has been restored, {*system name*} operations at the alternate site must be transitioned back. The goal is to provide a seamless transition of operations from the alternate site to the computer center.

Original or New Site Restoration

Procedures should be outlined, per necessary team, to restore or replace the original site so that normal operations may be transferred. IT equipment and telecommunications connections should be tested.

- *{team name}*
  − *Team Resumption Procedures*
- *{team name}*
  − *Team Resumption Procedures*

5.1 CONCURRENT PROCESSING

Procedures should be outlined, per necessary team, to operate the system in coordination with the system at the original or new site. These procedures should include testing the original or new system until it is functioning properly and the contingency system is shut down gracefully.

- *{team name}*
  − *Team Resumption Procedures*
- *{team name}*
  − *Team Resumption Procedures*

5.2 PLAN DEACTIVATION

Procedures should be outlined, per necessary team, to clean the alternate site of any equipment or other materials belonging to the organization, with a focus on handling sensitive information. Materials, equipment, and backup media should be properly packaged, labeled, and shipped to the appropriate location(s). Team members should be instructed to return to the original or new site.

- *{team name}*
  - *Team Testing Procedures*
- *{team name}*
  - *Team Testing Procedures*

6. PLAN APPENDICES

The appendices included should be based on system and plan requirements.

- Personnel Contact List
- Vendor Contact List
- Equipment and Specifications
- Service Level Agreements and Memorandums of Understanding
- IT Standard Operating Procedures
- Business Impact Analysis
- Related Contingency Plans
- Emergency Management Plan
- Occupant Evacuation Plan
- Continuity of Operations Plan.

Sample Information System Security Plan Template

The following sample has been provided ONLY as one example. Agencies may be using other formats and choose to update those to reflect any existing omissions based on this guidance. This is not a mandatory format; it is recognized that numerous agencies and information security service providers may have developed and implemented various approaches for information system security plan development and presentation to suit their own needs for flexibility. The template instructions, which are separate from the template, will assist the user when completing the sections of the plan.

Information System Security Plan

1. Information System Name/Title:
2. Information System Categorization:

	LOW		**MODERATE**		**HIGH**

3. Information System Owner:
4. Authorizing Official:
5. Other Designated Contacts:
6. Assignment of Security Responsibility:
7. Information System Operational Status:

	Operational		**Under Development**		**Major Modification**

8. Information System Type:

	Major Application		**General Support System**

9. General System Description/Purpose

10. System Environment

11. System Interconnections/Information Sharing

System Name	Organization	Type	Agreement (ISA/MOU/MOA)	Date	FIPS 199 Category	C&A Status	Auth. Official

12. Related Laws/Regulations/Policies

13. Minimum Security Controls

CONTROL FAMILY	DESCRIPTION	CLASS
Access Control (AC)		Technical
Awareness and Training (AT)		Operational
Audit and Accountability (AU)		Technical
Certification, Accreditation, and Security Assessments (CA)		Management
Configuration Management (CM)		Operational
Contingency Planning (CP)		Operational
Identification and Authentication (IA)		Technical
Incident Response (IR)		Operational
Maintenance (MA)		Operational
Media Protection (MP)		Operational
Physical & Environmental Protection (PE)		Operational
Planning (PL)		Management
Personnel Security (PS)		Operational
Risk Assessment (RA)		Management
System and Services Acquisition (SA)		Management
System and Communications Protection (SC)		Technical
System and Information Integrity (SI)		Operational

14. Information System Security Plan Completion Date: _____

15. Information System Security Plan Approval Date: _____

Template Instructions

1. Information System Name/Title

- Unique identifier and name given to the system.

2. Information System Categorization

- Identify the appropriate FIPS 199 categorization.

3. Information System Owner

- Name, title, agency, address, email address, and phone number of person who owns the system.

4. Authorizing Official

- Name, title, agency, address, email address, and phone number of the senior management official designated as the authorizing official.

5. Other Designated Contacts

- List other key personnel, if applicable; include their title, address, email address, and phone number.

6. Assignment of Security Responsibility

- Name, title, address, email address, and phone number of person who is responsible for the security of the system.

7. Information System Operational Status

- Indicate the operational status of the system. If more than one status is selected, list which part of the system is covered under each status.

8. Information System Type

- Indicate if the system is a major application or a general support system.

9. General System Description/Purpose

- Describe the function or purpose of the system and the information processes.

10. System Environment

- Provide a general description of the technical system. Include the primary hardware, software, and communications equipment.

11. System Interconnections/Information Sharing

- List interconnected systems and system identifiers (if appropriate), provide the system, name, organization, system type (major application or general support system), indicate if there is an ISA/MOU/MOA on file, date of agreement to interconnect, FIPS 199 category, C&A status, and the name of the authorizing official.

12. Related Laws/Regulations/Policies

- List any laws or regulations that establish specific requirements for the confidentiality, integrity, or availability of the data in the system.

13. Minimum Security Controls

- Provide a thorough description of how the minimum controls in the applicable baseline are being implemented or planned to be implemented. The controls should be described by control family and indicate whether it is a system control, hybrid control, common control, scoping guidance is applied, or a compensating control is being used.

14. Information System Security Plan Completion Date

- Enter the completion date of the plan.

15. Information System Security Plan Approval Date

- Enter the date the system security plan was approved and indicate if the approval documentation is attached or on file.

APPENDIX V

UI PROGRAM INTEGRITY ACTION PLAN

Unemployment Insurance (UI) Program Integrity Action Plan

Background

On July 22, 2010, the Improper Payments Elimination and Recovery Act (IPERA) of 2010 (P.L. 111-204) was enacted. IPERA requires federal agencies and entities receiving federal funding to ensure that their managers and accountable officers (including the agency head), programs, and, where applicable, states and localities, are held accountable for reducing improper payments.

To implement the requirements of IPERA, the Department is requiring State Workforce Agencies (SWAs) to report their planned activities to prevent, detect, reduce, and recover improper UI payments as the Unemployment Insurance Program Integrity Action Plan. A recommended template for the plan has been developed and is included in Appendix A of this handbook. The action plan should provide:

- Strategies and associated actions to reduce root causes, including recovery of these improper payments;
- Timeline, expected targets and measures; and
- Type and source of resources dedicated to accomplish the action plan.

To assist the SWAs in planning, the U.S. Department of Labor (Department) provides each with state-specific Benefit Accuracy Measurement (BAM) improper payment estimates, and data regarding the top root causes of overpayments.

Program Integrity Action Plan Specifics

The plan must identify the SWA officer(s) accountable for reducing improper payments, summarize the SWAs' assessment of whether it has the internal controls, human capital, and information systems and other infrastructure needed to reduce improper payments to minimal cost-effective levels, and identify any statutory or regulatory barriers which may limit the agency's corrective actions in reducing improper payments. Additionally, the plan must discuss the root causes of improper payments and present the state's strategies to address these causes.

1) <u>Strategies to address Root Causes and Recovery of Improper Payments</u>. The SWA must use the BAM improper payment estimates we provide to describe their strategies to prevent, detect, and/or reduce each root cause. Additionally, the strategies must include actions to improve the recovery of these improper payments.

   To determine the root causes for improper payments, each SWA needs to conduct an analysis of improper payments by reviewing:
   - Cause and responsible party,
   - Cause and prior actions by the agency, employer and claimant, and
   - Cause and BAM error detection points.

   Other analysis may include SWA staffing issues, technology tools used, etc.

i) Prevention. Prevention activities are by definition proactive. These are actions performed before payment issuance to assure that the payment is accurate when made. Examples of this type of activity include:

(1) Expanding the methods for communicating Benefit Rights and Responsibility Information (BRI), reviewing information layout and reading level, and testing claimant understanding;

(2) Training employers and claimants on separation information requirements;

(3) Implementing the State Information Data Exchange System (SIDES) designed to improve the quality and timeliness of separation information;

(4) Reviewing state law, rules and regulations, business processes, and goals that are concerned with employment service (ES) registration and aligning these elements to eliminate overpayments. Several business models exist which may help to eliminate ES Registration errors. Two of the most successful are outlined below:

(a) Claimant responsible for ES registration – SWA stops payment if the claimant is not registered within 14 days of the initial claim. Weeks claimed or additional claims automatically maintain registration as active.
(b) Agency responsible for ES registration – SWA collects enough information during the initial claims process to register the claimant for services. This information is transmitted to ES and the system shows an active registration;

(5) Using of Systematic Alien Verification for Entitlement (SAVE) and Social Security Administration Crossmatching;

(6) Working with a consortium of states, improve the continued claims taking process (Interactive Voice Response (IVR) and Internet) design and flow logic to better detect changes in employment status between weekly certifications. To prevent benefit year earnings reporting errors, SWAs should ensure that the IVR or internet process clearly focuses first on employment status and then earnings in its series of questions asked -- for example, “Did you work during the week of mm/dd/yyyy?, How many hours did you work? How much do you earn per hour?”;

(7) Focusing on the claimant’s return to work date and earnings verification. If a claimant does not report work or hours after the return to work date, create a call-in reporting requirement where the claimant has claimed a week after the return to work date and has not reported earnings;

(8) Staff evaluation and training (such as an Expanded Benefit Timeliness and Quality adjudication evaluation program and issue training); and

(9) Assuring standardized fact-finding questions are used and completed for each issue type.

ii) Detection. Detection activities occur after to payment. These are actions that the state controls and usually involves crossmatch activities such as:

(1) National Directory of New Hire Crossmatching – check crossmatch time parameters and agency filters, and use mandatory call-ins if a week is claimed and no earnings are reported;

(2) Implement the recommended operating procedures for Crossmatching Activity: National and State Directories of New Hires as outlined in the Unemployment Insurance Program Letter (UIPL) No. 19-11, *National Effort to Reduce Improper Payments in the Unemployment Insurance (UI) Program*;

(3) Wage Record Crossmatching – check the index calculation to ensure that it reflects current earnings disregard standards, run the wage record crossmatch for nine consecutive weeks after the end of a quarter to distribute workload and detect issues as soon as information is available;

(4) Implementation of SIDES to improve the quality and timeliness of separation and benefit year earnings information and to receive employer reported information in electronic format so earnings comparisons can be completed by the computer instead of Benefit Payment Control (BPC) personnel;

(5) Use of data mining to detect such disqualifying issues as multiple claimants at single address or phone number; and

(6) Use of predictive analysis to identify claims at high risk for overpayments.

iii) Reduction. Reduction activities are those actions which reduce the amount overpaid or the number of weeks overpaid and involve activities such as:

(1) Redesign of BPC workflow to reduce administrative activities;

(2) Using call-in and/or automated "required to report" notices (mail, IVR, email, and Internet) to raise BPC earnings issues quickly;

(3) Use of weighting strategies to prioritize detection workload; and

(4) Automating certain overpayment establishment decisions, where the business process only requires earning adjustment notices.

iv) Recovery. SWAs must specify the actions they plan to take to recover overpayments and plans to improve the recovery of overpayments. (See UIPL No. 33-99, *Overpayment Recovery Technical Assistance Guide*, available at http://www.oui.doleta.gov/dmstree/uipl/uipl99/3399att/3399toc.htm). Examples of this would be:

(1) Redesign of the BPC overpayment recovery workflow process;

(2) Streamline administrative activities and/or automation of skip tracing and collection notices to claimants;

(3) Implementation of the Federal Tax Offset Program (TOP) with the Department of the Treasury; and

(4) Implementation of a State Income Tax Offset program.

2) Targets and Timeline. When designing strategies to address improper payments, agencies must set targets for future improper payment levels and a timeline when the proposed strategies will be completed and within which the expected targets will be reached. We encourage states to develop realistic multi-year initiatives.

3) Resource Allocation. The plan must include a description of the type of resources such as human capital, technology and other tools that will be used to prevent, detect, reduce and recover improper payments.

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