

April 9, 2014

DIRECTIVE:	JOB CORPS INFORMATION NOTICE NO. 13-48
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TO: ALL JOB CORPS NATIONAL OFFICE STAFF
ALL JOB CORPS REGIONAL OFFICE STAFF
ALL JOB CORPS CENTER DIRECTORS
ALL JOB CORPS CENTER OPERATORS
ALL NATIONAL TRAINING AND SUPPORT CONTRACTORS
ALL OUTREACH, ADMISSIONS, AND CTS CONTRACTORS

FROM: GRACE A. KILBANE
National Director
Office of Job Corps

SUBJECT: Job Corps Initiative on Paying Students Using Electronic Funds Transfer (EFT)

1. Purpose. To provide the Job Corps community with guidance and parameters on paying students using EFT.
2. Background. The Office of Job Corps is preparing a Policy and Requirements Handbook (PRH) Change Notice regarding the current policy in Section 6.2 R1(c)1 which states, "Job Corps students shall receive their pay allowances paid bi-weekly and in cash."

Two centers tested EFT and the debit-card payment systems. ATM machines were placed on center, and students received payments electronically for approximately 18 months. During the debit-card payment implementation process, the centers did not report significant operational issues, and were able to fully reconcile all student pay. In recent focus groups, operators enthusiastically endorsed implementing EFT payments.

3. Action. Job Corps centers are hereby permitted and encouraged to investigate and implement EFT payment for student pay. Many centers have banks on their Community Relations Councils, and may use their business relationships and resources to make this possible. Per the PRH, centers are required to ensure financial accountability of payroll funds pending disbursement to students.
4. Restrictions. The Job Corps Data Center will not change its financial transfer process to centers. The centers are still responsible and accountable for all student pay.

Students may not be charged fees to access their funds. This includes ATM charges. Charging students any transaction fees to access their money is prohibited by this policy.

The operators must be able to effect this change using current resources. No new or additional funding is available for this action. Efficiencies to expect as a result of executing this new system include:

- Reduced staff time in preparing for the cash line;
- Lowered armed security costs;
- Increased training and education time that would typically be lost to time needed disbursing funds.

5. Positive outcomes.

- EFT mirrors real-world workplace experiences, and promotes critical independent living skills. Students will learn how to use their debit cards for purchases, and become more familiar with this process.
- Students can manage/monitor their finances by being able to check on their account activity independently and online. Students will gain a sense of responsibility as it pertains to their finances.
- EFT will establish a relationship between students and their banks, increasing their focus on saving. Students may keep their bank accounts at separation. Parents will be able to put money on the cards, and expensive Western Union transactions or money orders will not be necessary.
- Debit cards will cut down on staffs' handling of cash, and the amount of cash needed on center. Students may be able to use debit cards for purchases on-center in the student store and vending machines. Students will learn higher level skills in reconciling sales receipts that include debit cards.
- If a student is stranded and needs to return to center, the center can transfer funds for the bus tickets, and quicken that return.
- Funds for work-based learning, incentives, meal money for off-center training or advanced career training, can be loaded onto the debit cards. No more early or late pay for any student since funds are directly deposited.
- Potential operational savings could be re-routed towards other administrative requirements.
- Using ATMs and direct deposit may eliminate theft.
- Presenting this large number of depositors and potential long-term customers to a bank could strengthen a relationship with a community partner.

6. Expiration. Until superseded.

7. Inquiries. Inquiries should be directed to Linda Marshall at (202) 693-3106 or marshall.linda@dol.gov.