

6.2 STUDENT ALLOWANCES AND ALLOTMENTS

PURPOSE

- P1. To provide students with an allowance to defray the cost of incidental personal expenses while enrolled.
- P2. To establish a uniform system for issuing student allowances and transition payments earned through participation and achievement.
- P3. To provide a means for Job Corps students to defray the costs of dependent care during enrollment.

REQUIREMENTS

R1. Allowances

Centers shall:

- a. Issue pay allowances to students in accordance with the procedures specified in the Student Allowance and Allotment System (SAAS) Handbook.
- b. Ensure the physical security and financial accountability of payroll funds pending disbursement to students.
- c. Notify all students upon enrollment that they shall receive allowances as follows:
 - 1. Paid bi-weekly, in cash, for all days in paid status in amounts specified in Exhibit 6-2 (SAAS).
 - 2. For re-enrolled students, paid at base allowance levels as if they were newly enrolled (including students with prior fraudulent enrollments).
 - 3. For reinstated and re-established students, paid at their previous base allowance levels.
 - 4. Increases in base allowance levels paid automatically, when criteria relating to the number of days in paid status are satisfied, unless denied by the Center Director.
 - 5. Arrival pay in amounts specified in Exhibit 6-2.

- d. Advise students that arrival pay, basic living allowance, transition payment, and other benefits are taxable and subject to withholding as described in the SAAS Handbook.
- e. Ensure that an income tax withholding form W-4 is completed for each new enrollee and, as required by the tax code, at the start of each new tax year for current enrollees.
- f. Ensure that wage and tax statements, W-2 forms, received by the center from the Job Corps Data Center (JCDC) are immediately distributed to all enrolled students or forwarded directly to separated students.

R2. Transition Payments

- a. Outreach and Admission (OA) Contractors shall notify all applicants upon enrollment and centers shall notify all students upon arrival that they may become eligible, at the time of graduation to receive the following:
 - 1. A transition payment as designated in Exhibit 6-2, to assist financially in the transition into the workforce.
 - 2. Transitional support as designated in Chapter 4.3. R.4, including but not limited to the referral of housing, transportation, and healthcare services to the graduate.
- b. At the time of separation, students shall be notified that they must provide forwarding information to ensure proper delivery of the transition payments.
- c. Students shall be notified that failure to cash a received transition payment check or failure to report non-receipt of a check within 12 months of the date of separation will result in forfeiture of the payment.
- d. Students who re-enroll will be considered newly enrolled for transition payment purposes. However, there is one exception: The cost of transportation to the Job Corps center for a re-enrolled student will be deducted from the student's bi-weekly allowance and transition payment in accordance with the procedures specified in the Student Allowance and Allotment System (SAAS) Handbook.
- e. For students who are reinstated or re-established, paid days from periods of prior enrollment shall be organized in the current period of enrollment.
- f. Centers shall disburse partial transition payments to graduated students at time of departure as shown in Exhibit 6-2 and in accordance with procedures in the SAAS Handbook.

- g. Students separated with reinstatement rights are entitled to receive their transition payments at the time of separation or may have these monies held in their accounts pending final separation.

R3. Advances and General Indebtedness

- a. Centers may issue personal advances to students to help satisfy pressing financial obligation(s), such as court fine, bail bond, clothing, or other personal needs. Such advances shall not exceed \$250 at any given time. A personal advance may be issued only upon determination by the Center Director or designee that: practical alternatives are not available to the student; that failure to satisfy the financial obligation would unduly interfere with the student's successful enrollment in Job Corps; and that there is a reasonable expectation that the student will be able to repay the advance. SAAS will promptly reimburse a center for its disbursement of allowable personal advances to students.
- b. Centers shall ensure that the following instances of student indebtedness to Job Corps are promptly and accurately recorded in SAAS and also documented and maintained in the student's personnel records. Items of student indebtedness that must be recorded in SAAS include:
 - 1. Personal advance.
 - 2. The cost of government-furnished travel needed by the student to return to the center from AWOL.
 - 3. The cost of government-furnished travel based upon misrepresentation by the student.
 - 4. Student's share of dependent's allotment.
- c. Students shall repay their indebtedness to Job Corps. Repayment of indebtedness recorded in SAAS shall be initiated through automatic SAAS deductions from basic living allowances. In no case shall indebtedness deductions from basic living allowances exceed 50% of the basic living allowance. For students separating from the program prior to full reimbursement of indebtedness, the outstanding balance shall be collected automatically by SAAS from any transition payment monies available at the time of separation. Any outstanding student indebtedness, which is un-collectible at time of separation, shall be established as a receivable against the student's account, to be collected if the student re-enters the program. Such receivables shall be written off as un-collectible upon the student's 25th birthday (i.e., when the student is no longer age-eligible to re-enroll).

- d. Centers shall recover Other Student Indebtedness as specified below and in R3.c. above.
 1. Reimbursement for lost or damaged government property, with total indebtedness against a student not to exceed \$500. Student reimbursement for property loss or damage shall not exceed 50% per pay period as a deduction against student's basic living allowance. Center operators shall apply such student reimbursements as offsets to be credited to the contract or interagency agreement, and used to repair and replace damaged property or for other allowable costs. Any balance remaining due from the student at time of separation may be deducted from any transition payment due to the student. Thereafter, any remaining balance due shall be treated as uncollectible.
 2. Center imposed disciplinary fines may be collected from the student after the student receives his or her bi-weekly living allowance, not to exceed \$5 per pay period. Such fines shall be paid to the student benefit fund. Disciplinary fines may not be collected from any source other than a student's bi-weekly living allowance.

R4. Allotments

Centers shall initiate allotments for those students who desire to make a support payment for dependents in accordance with Exhibit 6-2 and the following criteria:

- a. An allotment may be initiated by a student who has a child(ren) who draws substantial support from the student. The student must provide proof of dependency.
- b. Allotment amounts shall be matched by the government at 5 times the amount of the allotment.
- c. Allotments shall be paid according to procedures specified in the SAAS Handbook.
- d. Students shall be advised that the basic living allowance and transition payment will be reduced by the amount of their designated allotment(s).
- e. Students shall be advised that a yearly 1099 will be issued to all allottees who received allotments in which the government contribution for a calendar year is equal to or in excess of \$600 total.

QUALITY INDICATOR(S)

- Q1. Students can explain the allowance system and the relationship of their achievements to the transition payment they may receive at separation.
- Q2. Students understand what they must achieve to be eligible to receive a transition payment.
- Q3. Students are aware of the requirements to avoid forfeiture of a transition payment.