

U.S. Department of Labor Employment and Training Administration
Sam Nunn Atlanta Federal Center
Room 6M12 - 61 Forsyth Street, S.W.
Atlanta, Georgia 30303



May 18, 2004

SWA ISSUANCE NO. 04-08

SUBJECT: Fiscal Year (FY) 2004 Unemployment Insurance
Remote Tax Systems (UIRS) Grants

1. Purpose. To announce the availability of FY 2004 funds to help selected State Workforce Agencies (SWAs) implement Internet employer registration and Internet tax and wage reporting systems; to provide both the guidelines for selecting the proposals to be funded and criteria governing the subsequent use of these funds; and to invite the submission of proposals.
2. References. ET Handbook No. 336.
3. Background. The U.S. Department of Labor (DOL) began awarding UI remote systems grants to States in 1996: first to support the implementation of telephone initial claims systems, later adding Internet initial claims systems, and in FY 2001 Internet tax systems. To date, grants have been provided to 43 States for telephone initial claims systems, to 42 States for Internet initial claims systems, to 13 States for Internet employer registration, and to 15 States for Internet tax and wage reporting.
4. Fiscal Year 2004 Funding. DOL will award grants to States in FY 2004 for the implementation of UI remote tax systems in selected SWAs. As in the past, a national office panel will make the selections based upon the scoring of competitive proposals with input from regional offices (ROs).

Each grant award will be limited to a maximum of \$500,000. SWAs may submit proposals for less than the maximum amount but **may not submit a proposal for more than the maximum amount.** Grants will be awarded only to States that have not yet received a first-time grant for the same category of tax project.

SWAs applying for grants in both categories should submit a separate proposal for each category to ensure consideration for the maximum funding. Each project will be scored on its own merit. SWAs submitting two proposals may have some expenditures that are duplicated but need only be funded once. The proposals should identify these expenditures in both proposals. A simple statement in the proposals is sufficient to explain these necessary duplications.

5. Guidelines. The following guidelines apply to UIRS Grants:

a. Funds may be used only for one-time implementation costs, such as hardware, software, telecommunications equipment and staff services. They may not be used for ongoing costs such as maintenance of software and hardware or ongoing communications costs. Expenditures must be covered by the definition of automation acquisition as defined on page II-6 of ET Handbook No. 336, 17th Edition, the Unemployment Insurance State Quality Service Planning and Reporting Guidelines. It is intended that automation expenditures include new technologies, thus the definition is not all-inclusive.

b. UIRS grants are not planning grants and cannot be used for a feasibility study to consider implementing a UI remote access system. Proposals must contain sufficient information to show that a preliminary plan has been developed. SWAs may use funds from a UIRS Grant to resolve some issues that were not resolved in the initial planning.

c. SWAs must agree to supply any additional funds needed to complete the project in a timely manner.

d. UIRS tax grants in each category will be available to SWAs that have not previously received a UIRS Grant in that tax category.

e. Proposals scoring below 80 points, of a possible 100 points, will not be funded. SWAs should follow the proposal outline very carefully to compete successfully. Each element of the proposal is important and should be addressed completely. Proposals that are very brief usually score poorly. Proposal writers should explain clearly how the proposed system will work in the SWA. Acronyms should be avoided and forms should be addressed by title rather than by form number. UIRS panel members know about UI program operations, but they do not know about specific UI operations and procedures in each SWA.

6. Proposal Format and Instructions.

a. The format and instructions for Internet employer registration and Internet employer tax and wage reporting are provided in the Attachment to this issuance. **All pages in the proposal should be numbered.** Please provide one original and three copies to the RO.

b. Each proposal should be accompanied by completed forms SF 424 (Revised 9-2003), 424a, and 424b. The SF 424a requires a breakout of object class categories in item 6 of Section B - Budget Categories. The breakouts must match the proposed expenditures in the proposal. The amount of the proposal **MUST NOT** exceed the maximum grant amount; therefore, the entries should be less than or equal to the maximum grant amount in item 15.g. of the SF 424 and item 6.k. of the 424a.

c. Each proposal should contain the name and telephone number of the person who is to be notified of approval of the grant. In most instances this individual will be the Administrator of the SWA.

7. Evaluation Criteria. Evaluation criteria are explained in the Attachment to this issuance.

8. Requesting Changes to UIRS Grants Subsequent to Funding. SWAs that receive a UIRS grant and subsequently determine that other expenditures are more suitable may request approval to substitute other expenditures. All substitutions must be in line with the overall goals of the project. Decisions to simply purchase a different brand or model of equipment do not require federal approval. SWAs that wish to purchase equipment that differs more substantially from the original proposal should send a written request for substitution to the RO identifying the items in the original proposal that will not be purchased, the items that are now determined to be more appropriate, including cost per item and narrative descriptions, and the reason for the substitution.

SWAs may also determine that proposed expenditures for other categories should be changed to benefit the project. For example, the SWA may determine that contract staff rather than SWA staff should complete a portion of the project.

Grant expenditures are governed by the amounts in each of the categories in Section 6 of the 424a. If the SWA later determines that it is necessary to change SWA personnel costs, a new 424a must be submitted to the RO. If spending in any other category of expenditures changes by more than 20% of the costs proposed on the original 424a, a written request must also be submitted to the RO with a new 424a. If the RO concurs with the request, a memorandum will be sent to the appropriate Grant Officer recommending approval of the change. The Grant Officer has official responsibility for approval of the requested change.

Finally, if a SWA wishes to change the scope of the project, a written request should be submitted to the RO explaining the reason for the proposed change. Such changes may occur when the SWA realizes that the original proposal cannot or should not be completed as originally proposed and elects to change or drop some aspect of the original proposal for good reason.

9. Action/Time Lines.

a. Proposals are due in the RO by June 18, 2004.

b. Grant awards will be made to selected SWAs by August 19, 2004.

10. Inquiries. Direct questions to Dianna Milhollin or Randy Fadler at 404-562-2122 or milhollin.dianna@dol.gov or fadler.randy@dol.gov.

11. Expiration Date. August 19, 2004.

Helen N. Parker

HELEN N. PARKER
Regional Administrator

Attachment