

**877—16.4(15,260E) Agreements.**

**16.4(1) Notification.** The community college shall notify the department of all agreements deemed to be final and ready for project funding by sending a copy of the notice of agreement to the department within 30 days of the execution by all parties. The corresponding official statement will be sent when it is completed. The notice of final agreement shall provide all pertinent training services and financial details in the manner determined by the department. The notice shall be signed by the community college officials authorized by the college. All written agreements shall also be reported and verified through updates by the college, provided in a time frame specified by the department, in the same manner that the annual report is provided to the department. Except where otherwise prescribed in these rules, the department, in conjunction with the community colleges, shall develop a format and timetable for reporting relevant information to the department. Such reporting shall include, but shall not be limited to, information and official statements with respect to all final agreements and related certificate sales, information regarding college procedures for training agreement review and training project monitoring, as well as documentation of identified events of default, remedies and repayment policies.

**16.4(2) Additional agreement items.** In addition to the provisions of an agreement described in Iowa Code section 260E.3, subsections 1 to 5, the agreement shall include the following items:

- a. The length of time each new job category will be provided on-the-job training.
- b. The completion date of all other training.
- c. If the supplemental new jobs credit is to be utilized as authorized in Iowa Code section 15.331 and 261—Chapter 58, the agreement must be signed by the business(es), community college, and the department of revenue for the use of an additional 1½ percent withholding to educate and train new employees.

**16.4(3) Compliance with department of revenue requirements.** When an agreement for training is deemed final and ready for project funding, the community college shall notify the department of revenue within 30 days of the date of execution of the agreement. Notification must be in writing on forms and in the manner determined by Iowa workforce development and is considered complete when response has been received on each item.

If, at any time after notification, the estimates are revised, or if changes are made in the agreement that would affect the above reporting requirements, the department of revenue and the department shall be notified within 30 days.

**16.4(4) Coordination with the relevant agencies.**

- a. Before a project is implemented, the community college shall notify the local Job Training Partnership Act administrative entity and job service.
- b. Evidence of coordination of effort shall be provided to the department on the notification form as described in 5.4(1) above.

**16.4(5) Allowable cost.** A community college may be reimbursed from certificate proceeds for reasonable administrative costs and legal fees incurred prior to the date of the preliminary agreement. Training costs incurred prior to the date of the preliminary agreement are not reimbursable.

**16.4(6) Cost standards.** The standard vocational preparation guide, as provided in the Dictionary of Occupational Titles for determining classification of jobs and the length of allowable training periods, shall be used by a community college in estimating the cost of on-the-job training. Where these standards are not appropriate, reasonable time periods for on-the-job training shall be based on the standard vocational preparation guide for similar classifications. Reimbursement of employee's wages for on-the-job training shall not exceed 50 percent of the new employee's annual gross payroll costs. The maximum project total for on-the-job training shall not exceed 50 percent of the total available training proceeds.

**16.4(7) Indirect cost rate.** The community colleges may be reimbursed indirect costs at the rate to be determined annually. The rate will be determined by the department and the Iowa department of education. The indirect cost rate and procedures will be communicated to the community colleges by the department. The rate will be based on function five and nine expenditures of the Iowa area community college uniform accounting system. The indirect cost rate shall be applied against the total issuance.

Acceptable accounting procedures, as determined by the community college with the department of education and the state auditor, shall be followed in claiming indirect costs.

**16.4(8) *Equipment.*** Equipment required for training will be an allowable provision in a training project as described in Iowa Code chapter 260E. The cost of equipment used in training shall be prorated to the project in that proportion chargeable to the training program, and the remainder of the cost of such equipment will be the responsibility of the employer. Proceeds of the certificates shall not be used directly or indirectly to finance land, facilities or depreciable property to be owned by the employer or other private person.

[Editorial change: IAC Supplement 10/18/23]