



**Audit Summary Worksheet  
Work Opportunity Tax Credit**

<b>For State Workforce Agency (SWA) Internal Use Only</b>	<b>1. NAME OF JOB APPLICANT / NEW HIRE</b> <i>(Last, First, Middle Initial)</i>	<b>2. APPLICANT'S SOCIAL SECURITY NUMBER</b>  _____.
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**3. EMPLOYER'S NAME, TELEPHONE NUMBER, AND ADDRESS:**

**THE SECTION BELOW IS TO BE COMPLETED BY THE SWA / CERTIFYING AGENCY ONLY**

<b>4. CERTIFYING AGENCY:</b> <i>(Check "✓" one)</i> Conditional Certification was issued by: _____ Participating Agency (PA) _____ State Workforce Agency	<b>5. DATE CERTIFIED:</b>
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**6. SOURCES USED TO DOCUMENT APPLICANT'S/NEW HIRE'S TARGETED GROUP ELIGIBILITY:** *(List all documentation provided)*

**7. AUDIT SAMPLE RESULTS:** *(Complete ONLY if selected as part of RANDOM SAMPLE in a quarterly audit)*

- a.  I have reviewed/contacted the source(s) indicated in box 6 and have confirmed that the certified individual is **ELIGIBLE**.
- b.  I have reviewed/contacted the source(s) indicated in box 6 and have confirmed that the certified individual is **INELIGIBLE** for the following reason(s):
- c.  I have not been able to establish that the certified individual is **INELIGIBLE** because:

**Note:** Falsification of data on this Form is a FEDERAL CRIME in violation of 18 USC 1001. Falsification of work or concealment of information is PUNISHABLE by a FINE or IMPRISONMENT.

<b>8. NAME AND TITLE OF SWA REVIEWER:</b> <i>(Type or Print):</i>	<b>9. CERTIFYING OFFICER'S SIGNATURE:</b>	<b>10. DATE:</b>
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Persons are not required to respond to this collection of information unless it displays a valid OMB Control Number. Respondents' obligation to reply to these requirements is mandatory by P.L. 104-188. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reading instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the information. Send comments regarding the burden estimate or any other aspect of this collection of information including suggestions for reducing this burden to the U.S. Department of Labor, Division of National Programs, Tools and Technical Assistance, Room C-4510, Washington, D.C. 20210 (Paperwork Reduction Project 1205-0371).

**Privacy Act Statement:** *The Internal Revenue Code of 1986, Section 51, as amended and its enacting legislation, P.L.104-188, specify that the State Workforce Agencies are the "designated" agencies responsible for administering the WOTC certification procedures of this program. The information you have provided completing this form will be disclosed by your employer to the State Workforce Agency. Provision of this information is voluntary. However, the information is required for your employer to receive the federal tax credit. IF THE INFORMATION YOU PROVIDE IS ABOUT A MEMBER OF YOUR FAMILY, YOU SHOULD PROVIDE HIM/HER A COPY OF THIS NOTICE.*

## AUDIT SUMMARY WORKSHEET, ETA FORM 9065.

**Background:** The Omnibus Budget Reconciliation Act of 1990, (P.L. 101-508, §11405(c)), extended indefinitely the \$5 million set-aside (cited below) for testing whether individuals certified as members of WOTC targeted groups are eligible for certification (including the use of statistical sampling techniques). Section 261(f)(2) of the Economic Recovery Tax Act of 1981 (P.L. 97-34), states that

“(A) \$5,000,000, shall be used to test whether individuals certified as members of targeted groups under section 51 of such Code [Internal Revenue] are eligible for such certification (including the use of statistical sampling techniques), and (B) the remainder shall be distributed under performance standards prescribed by the Secretary of Labor.”

Verification activities require testing the validity of all Certifications issued by the SWAs, including Conditional Certifications issued by Participating Agencies. A General Accounting Office (GAO) report recommended that verification activities be completed by an employee “other than the person who originally processed” the Individual Characteristics Form [ETA Form 9061] or Conditional Certification [ETA Form 9062].

### DEFINITIONS:

**1. Quality Review** - ETA recommends SWAs conduct a review of each certification request (WOTC Processing Forms, supporting documentation, and Employer Certifications issued) as a quality control method. During the initial review, the SWA should determine if the certification request (IRS Form 8850) was timely filed and complete. Quality reviews are part of the SWAs' administrative responsibilities to ensure the required information for employers' certification requests is complete and accurately recorded.

**2. Audit** - To reduce the chances of erroneously certifying ineligible persons for WOTC, SWAs must conduct quarterly audits. A quarterly audit is a verification activity to examine the quality of the SWA's certification process. If the SWA issued an incorrect Certification, the SWA must revoke the Certification. For those applications found to be ineligible, the SWA must issue a notice of invalidation (NOI) or notice of revocation (NOR) based on the review of Certifications / supporting documentation.

### INSTRUCTIONS FOR COMPLETING THE AUDIT SUMMARY WORKSHEET, ETA FORM 9065 (OPTIONAL)

This worksheet is an optional Form for SWAs' internal use in recording the results of verification activities conducted by the SWA. States are not required to submit this Form to ETA. The Form's design and format are optional; states can change the design and format to meet their reporting needs.

**Box 1. Name of Individual.** Enter the full name (last, first and middle initial) of the individual certified as a targeted group member.

**Box 2. Social Security Number.** Enter the individual's (applicant's) social security number.

**Box 3. Employer Name, Telephone No., & Address.** Enter the employer's name, address including zip code, and telephone number.

**Box 4. Certifying Agency.** Enter name of SWA issuing the Employer Certification. Indicate with a checkmark “✓” whether the CC was issued by a Participating Agency (PA) or a SWA.

**Box 5. Date Certified.** Enter month, day and year when the Certification was issued by the SWA.

**Box 6. Documentary Sources.** List and/or describe the documentary evidence or sources of collateral contacts that were attached to the certification request (IRS Form 8850) and/or Individual Characteristics Form (ETA Form 9061).

**Box 7. Audit Sample Results.** Upon review of documentation during the audit, indicate with a checkmark “✓” if the individual is “eligible,” “ineligible,” or “eligibility cannot be determined.” Follow the instructions below based on the audit outcomes:

a. If review of documentation reveals that the certified individual is eligible, enter a checkmark “✓” by “eligible.”

b. If review of documentation reveals that the certified individual is ineligible, explain why. If review reveals that the SWA has not been able to establish eligibility, provide the reason. For Conditional Certifications (CCs), prepare and send the following notices:

**Notification of Invalidation (NOI)** - The NOI notifies the Participating Agency (PA), job applicant, and employer seeking Certification that the Conditional Certification (CC) is INVALID due to missing or incorrect information/items. Copies of the NOI should be sent to the applicant, PA (authorized official), and employer/authorized representative (where appropriate).

**Notice of Revocation (NOR)** - The NOR should communicate to the employer the reason why the SWA was not able to determine that the employee is a member of a targeted group, and the effective date of the revocation. The NOR should also inform affected employers that wages paid to the “non-eligible” employee cannot continue to be treated as “qualified wages” for WOTC purposes. SWAs should send the NOR to the employer/authorized representative (where appropriate), and the IRS. SWAs can transmit the NOR to IRS at the following IRS fax number:

**Internal Revenue Service  
Small Business/Self-Employed Campus Compliance Services  
Fax: 1-855-242-6540**

**Box 8. Name and Title of Reviewer.** Enter full name and title of authorized SWA staff conducting audit review.

**Box 9. Signature.** Enter signature of authorized reviewer conducting audit.

**Box 10. Date.** Enter date (mm/dd/yyyy) when audit was conducted by SWA.