# Vocational Rehabilitation Services Manual Section D-100

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## Notes on the Manual

On October 1, 2017, Texas Workforce Commission’s Blind Services Division and Rehabilitation Services Division combined to create a single designated state unit (DSU) to administer the vocational rehabilitation program for Texans with disabilities.

The combined Vocational Rehabilitation Services Manual (VRSM) was initially published on October 1, 2017. The latest update to this manual is reflected in the chapters below.

Please note that VRSM includes links to information that is intended to provide additional decision-making supports to VR staff. Some of this information may not be available to individuals who are accessing the VRSM outside of TWC's firewall. Copies of materials that cannot be accessed directly through links can be made available upon request.

Substantive revisions to the content are noted in the VRSM List of Revisions. Any printed versions may not contain the latest policy changes.

If you have any questions about VRSM content, please contact the TWC Vocational Rehabilitation Division Policy Team at state office by sending an email message to vrsm.support@twc.texas.gov.

## Manual Overview

The VR Services Manual:

* helps ensure VR customers receive quality services to assist them in achieving successful competitive integrated employment outcomes as a result of their participation in vocational rehabilitation services.;
* helps to ensure taxpayer funds are spent wisely and each purchase paid for with public funds represents full value to the taxpayer; and
* provides published policies and procedures for maintaining compliance with federal and state laws, statutes, and rules or regulations.

The latest update to this manual is reflected in the chapters below. Any printed versions may not contain the latest policy changes.

# Vocational Rehabilitation Services Manual D-100: Case Service Budget

## Introduction

This chapter describes the requirements and staff responsibilities for customer service budget allocation, distribution and monitoring.

The overall Vocational Rehabilitation (VR) budget in ReHabWorks (RHW) establishes the operational financial parameters for the program and is a subset of the grant awarded to the Texas Workforce Commission (TWC). Depending on what is being purchased and when, individual transactions may be paid for using federal funds, state funds, or a combination of both.

## D-101: Legal Authorization

The following are the federal requirements to which VR is held accountable by the Rehabilitation Services Administration (RSA):

* 34 CFR §361.60-65, which addresses the funding for state VR services
* 34 CFR §363.20-25, which outlines how state-supported employment services programs are financed

### D-101-1: Agency Accountability

VR complies with:

* federal requirements, including grant award notifications, documentation of nonfederal cost shares or matches (for example, interagency transfers, third-party cooperative arrangements (TPCAs), establishment projects, and private donations), maintenance of effort (MOE), and the audit findings and corrective actions related to a program's income documentation;
* requirements that are set forth in state or agency allocation or budget documents and annual fiscal reports; and
* agency policies, procedures, and forms (for example, monitoring, personnel cost allocation, and procurement).

VR also ensures that the documentation of obligations and expenditures is clear and complete, including the documentation of contracts, service authorizations, invoices, and supporting documentation.

### D-101-2: Prohibition against Subgrants

RSA has determined that a state agency may not create subgrants using funds granted under the Rehabilitation Act of 1973, as amended by WIOA, for VR and supported employment (SE) programs. (See the Catalog of Federal Domestic Assistance (CFDA) §84.126A and §84.187A.) This prohibition distinguishes the VR program from other workforce system programs that create subgrants for contractors. VR services are purchased by VR staff on behalf of VR customers.

### D-101-3: Preemployment Transition Services

Changes under the Workforce Innovation and Opportunity Act (WIOA) have significantly affected the VR budget. §110(d) of the Rehabilitation Act of 1973, as amended by WIOA, requires a state to reserve at least 15 percent of its state allotment, under the state VR services grant, for the provision of preemployment transition services (Pre-ETS) under §113 of the Rehabilitation Act (CFDA Section 84.126A).

Pre-ETS activities must follow the provisions published in 34 CFR §361.48(a).

According to 34 CFR §361.65(a)(3)(ii), the funds reserved for Pre-ETS:

* must be used only for the Pre-ETS described in 34 CFR §361.48(a); and
* must not be used to pay for the administrative costs of providing Pre-ETS or any other VR services.

For more information about Pre-ETS, refer to VRSM C-1300: Transition Services.

### D-101-4: General Appropriations Act Requirements

The General Appropriations Act (GAA), as signed by the Texas governor each biennium, gives TWC the authority to spend VR funds.

VR funding is addressed in Article VII of the GAA and is subject to performance measures and riders found in the TWC bill pattern. It is also subject to GAA Article IX, General Provisions, which typically applies to all state agencies.

## D-102: Budget Administration

VR is responsible for administering federal and state funds efficiently and effectively.

VR's responsibilities include overseeing administrative and customer budgets as well as state and federal performance goals. Title 2 CFR, Part 200.400, states, in part, that the nonfederal entity is responsible for the efficient and effective administration of the federal award through the application of sound management practices.

Based on WIOA and federal regulations, as implemented under state law and the GAA, VR receives an annual operating budget from TWC financial operations.

### D-102-1: Financial Systems

The VR budgets are loaded into the Workforce Reporting Accounting and Procurement System (WRAPS) and then into the RHW case management system.

## D-103: ReHabWorks Budget Allocation

Annual budget allocations to the field are developed using the methodology approved by the Division Director of Vocational Rehabilitation Services in consultation with the TWC Financial Services, the Deputy Director of Workforce Solutions, and the TWC Executive Director.

VR's Program Operations team develops this methodology by applying multiple factors, factors that need to be considered and weighted to support the accuracy of the comprehensive allocation strategy.

Each year of the biennium, TWC budget staff members determine the funding available, based on federal allocations and expenditure rates. After determining the amount of available funding, responsibilities and processes differ depending on the organizational level at which a program's budget is handled.

Funds are allocated by VR state office to each of the VR regional offices, based on the allocation plan. The initial amounts or percentages to be distributed to each unit within a region are provided as well as the timing of the distributions.

The Deputy Regional Director (DRD) oversees the regional budgets. The DRD's oversight may include determining unit allocations, monitoring encumbrance rates and paid-out rates for each budget line item, cleaning up records from previous fiscal years, and redistributing funds within the region.

The DRD may delegate authority to perform budget-related tasks at the regional level to one of the DRD's subordinates. For each of the regions, the DRD (Region Level) is the designated point of contact for budget allocation to the units. Based on the distribution plan, the DRD distributes funds to the unallocated budget levels for all of the region's management units.

The regional offices maintain a contingency fund to pay for unanticipated expenses related to:

* complex cases;
* cases requiring more intensive or extensive services;
* planned expenditures that would deplete a caseload budget; or
* other vocationally related customer needs.

The VR Program Operations team recommends an amount to be set aside for contingency funding, but the amount retained is at the discretion of and is the responsibility of the regional director (RD) and DRD.

## D-104: Budget Adjustment Request (BAR)

The Budget Adjustment Request (BAR) document is a tool used by regional management staff to:

* request additional budget from the VR division, or
* have an existing budget moved between regions or programs.

BARs are submitted to VR's budget email box.

The VR Program Operations Director is responsible for:

* approving all requests for additional funds; and
* ensuring approval of the VR Division Director as required.

For a copy of the BAR or instructions for completing the BAR, see the VRD Budget intranet page in the Program Operations SharePoint.

## D-105: Tracking

VR Program Operations regularly monitors VR administrative and service-delivery budgets.

Multiple systems and applications are used for monitoring specific budgets, such as staff travel. The systems used include WRAPS, RHW, Work Incentives Seminar Events (WISE), and Access applications.

Each quarter, operations monitoring and performance reviews are conducted as explained in Guidance Memorandum (GM) 19-06, which can be found on the Program Policy and Support intranet page under Resources. Monitoring reviews are conducted with each region on-site or by web conference. The review process establishes a consistent, documented method for VR to effectively and proactively monitor administrative and customer services budgets, purchasing, performance, inventory, and full-time equivalent positions (FTEs). The process includes the identification of risks, tasks, tolerances, time frames, and the roles and responsibilities of VR staff at the state office, regional offices, and field offices.

Each VR Manager works with the regional management team to develop a budget management strategy for the management units. This strategy must follow the guidance issued by the TWC state office regarding the management and reporting of VR budgets. The VR manager may delegate the authority to perform budget-related tasks to the management unit level.

The VR Manager is responsible for managing the management unit’s budget, ensuring timely and appropriate encumbrance of funds, and reviewing high-cost cases, to ensure that providing appropriate VR services remains the focus.

### D-105-1: Caseload Carrying Staff Responsibility

Caseload carrying staff are responsible for ensuring good stewardship of funds for individual customer's needs. Caseload-carrying staff are also responsible for identifying and ensuring that their customers utilize available comparable benefits, to the greatest degree possible, as required by WIOA (34 CFR §361.53).

For more information about best-value purchasing practices and the use of comparable benefits, refer to VRSM D-203: Purchasing Decisions.

Management tools such as ad hoc queries, RHW, WISE reports, and case reviews are used to maintain accountability at all levels and ensure that purchases are vocationally relevant, comparable benefits are appropriately used, and fiscal responsibility remains a critical part of the VR process. For more information, refer to VRSM D-300: Quality Assurance.

All TWC-VR staff are responsible for ensuring good stewardship of funds, compliance with purchasing processes and procedures, and use of best-value purchasing practices.

All purchasing activities are subject to internal and/or external review, audit, and investigation at any time. As public servants who are responsible for assisting Texans and serving Texas taxpayers, all VR staff are expected to maintain the highest level of ethical conduct. For more information, refer to VRSM D-200: Purchasing Goods and Services.

## D-106: Allocating and Distributing the Budget in ReHabWorks

The electronic case management system, ReHabWorks (RHW), is used to manage the funds with which VR and OIB services are provided to VRD customers.

For information on accessing and using functions in RHW that are related to the case service budget, refer to the ReHabWorks Users Guide, Chapter 15: Budget.

For more information on allocating and distributing budgets in RHW, refer to the ReHabWorks Users Guide, Chapter 15: Budget.

### D-106-1: Distribution Parameters in ReHabWorks

Each year of the biennium, the TWC budget office determines what funds are available to provide VR services. After determining the funding available, responsibilities and processes differ, depending on the organizational level at which a program's budget is handled. The budget office begins the distribution process by transferring funds to a division's unallocated budget.

The following parameters apply:

* A service authorization cannot be generated until funds have been:
	+ transferred to the appropriate budget level; and
	+ moved from an unallocated budget to a requisition budget.
* Only unallocated funds can be transferred between budget levels.
* Unallocated funds can be transferred up and down budget levels but never directly across budget levels.
* Only the budget office transfers unallocated funds at the division level.
* Funds can be transferred between budgets only by a budget manager with responsibility for both budgets.
* User roles determine what permissions one must have to make and save changes to the budget at different levels.

For more information about distributing budgets in RHW, refer to the ReHabWorks Users Guide, Chapter 15: Budget.

### D-106-2: Budget Parameters

Every program can have the following budgets at every level designated:

* An unallocated budget (savings)
* A requisition budget (checking)

Only unallocated funds can be moved between levels. Funds must be available in a requisition budget to encumber (obligate) and voucher (pay).

The following guidelines apply:

* An unallocated budget is like a savings account. It is where money is initially loaded and moved from level to level, but money is never spent from this budget.
* Unallocated budget pages move money from unallocated (one level) to unallocated (on another level).
* A requisition budget is like a checking account. Money is moved in and out of a requisition budget to an unallocated budget but never from a requisition budget to another requisition budget. Money is spent from this budget.
* Requisition budget pages move money from an unallocated budget to a requisition budget and from a requisition budget to an unallocated budget.

In RHW, the totals displayed on all of the pages under the Budget menu (in the left-hand navigation) are real-time—that is, as of the moment. The budget reports under the Reports menu (in the top horizontal menu bar) are end-of-day—that is, as of the end of the previous day.

For more information about distributing budgets in RHW, refer to the ReHabWorks Users Guide, Chapter 15: Budget.