# Board VR Requirements Chapter 2: Wage Services for VR Participants in Paid Work Experience

Table of Contents

[Board VR Requirements Chapter 2: Wage Services for VR Participants in Paid Work Experience 1](#_Toc135903571)

[Introduction 2](#_Toc135903572)

[2.1 Overview of Wage Services for VR Participants in Paid Work Experience 2](#_Toc135903573)

[2.2 Objective of Paid Work Experience Services 3](#_Toc135903574)

[2.3 Scope of Paid Work Experience Services 3](#_Toc135903575)

[2.4 Paid Work Experience Preparation 3](#_Toc135903576)

[2.4.1 Orientation and Coordination Meeting 4](#_Toc135903577)

[2.4.2 Worksite Development 5](#_Toc135903578)

[2.4.3 Outreach and Recruitment 6](#_Toc135903579)

[2.5 Financials and Payment Structure 8](#_Toc135903580)

[2.5.1 Payment 8](#_Toc135903581)

[2.5.2 Invoicing and Payment for Services 8](#_Toc135903582)

[2.5.3 Paid Work Experience Services Payment Structure 10](#_Toc135903583)

[2.5.4 Outcomes Required for Payment 11](#_Toc135903584)

[2.5.5 Working Capital Advance 12](#_Toc135903585)

[2.6 Required Reporting 12](#_Toc135903586)

[2.6.1 Reporting Abuse, Fraud, Misconduct, and Waste 12](#_Toc135903587)

[2.6.2 Reporting Substance Abuse by VR Participants 13](#_Toc135903588)

[2.6.3 COVID-19 Precautions 13](#_Toc135903589)

[2.7 Board Contract Standards 13](#_Toc135903590)

[2.7.1 Documentation, Recordkeeping, and Monitoring 13](#_Toc135903591)

[2.7.2 Records Storage 14](#_Toc135903592)

[2.7.3 Confidentiality 16](#_Toc135903593)

[2.7.4 Data Encryption 17](#_Toc135903594)

[2.7.5 Sound Fiscal and Business Practices 17](#_Toc135903595)

[2.8 Basic Standards for Boards Providing Services to VR Participants 18](#_Toc135903596)

[2.8.1 Professionalism 18](#_Toc135903597)

[2.8.2 Conflict of Interest 19](#_Toc135903598)

[2.8.3 Board Required Policy and Procedures 19](#_Toc135903599)

[2.8.4 Safe and Secure Environments 21](#_Toc135903600)

## Introduction

The Texas Workforce Commission (TWC) executes a fee-for-service contract with Local Workforce Development Boards (Boards) to purchase and deliver services to pay wages and associated taxes and fees (wage services) for Vocational Rehabilitation (VR) participants placed in paid work experience (PWE).

PWE placements are for VR participants who are students with disabilities and for whom PWE is an identified service in their individualized plan for employment (IPE). Students who have not applied and been determined eligible for VR services but who meet the definition of "Student with a Disability," as established by the Workforce Innovation and Opportunity Act (WIOA), may also participate in PWE. PWE described in this chapter is a stand-alone service that is separate from the Summer Earn and Learn program.

Boards are paid established fees based on completion of deliverables as specified in Section 2.5.3 Paid Work Experience Services Payment Structure. The fees are intended to pay for the services associated with the deliverables. This chapter describes the contract statement of work and associated deliverables and requirements.

Board contractors that provide wage services for VR participants in PWE must meet the same requirements and level of experience as the Board. The Board and Board contractor staffs providing wage services described in this chapter must comply with the requirements in the following sections.

## 2.1 Overview of Wage Services for VR Participants in Paid Work Experience

Wage services establish a mechanism by which Boards can partner with TWC-VR to pay wages and associated taxes and fees for participants in PWE. This service is offered in each local workforce development area (workforce area) in which the Board has a TWC-VR contract for PWE. Wage services are available throughout the year and authorized by VR counselors on an individual basis for each VR participant.

PWE includes basic work-based learning and training services for students with disabilities that provide:

* experience to help participants gain familiarity with the workplace environment and develop transferable job skills; and
* paid compensation for time worked on the job.

## 2.2 Objective of Paid Work Experience Services

Work-based learning is defined as participation in work activities in real work settings to help individuals with disabilities learn about possible fields of interest and gain soft and hard skills through hands-on exposure. PWE is an effective strategy for providing work-based learning opportunities to individuals with disabilities, particularly students with disabilities.

The objective of PWE is to increase work-based learning opportunities through Texas' integrated workforce system for VR participants who are students with disabilities, thereby providing them with foundational employment skills and better preparing them for successful transition to postsecondary education and employment.

## 2.3 Scope of Paid Work Experience Services

Through PWE, Boards pay the wages of VR participants for time worked on a worksite, thereby enabling participants to receive wages as they develop work skills that increase career preparation and employability.

PWE assignments do not exceed 12 weeks per participant per worksite. PWE assignments do not exceed 20 hours per week per participant.

A VR participant may participate in more than one PWE assignment if the VR counselor determines that additional assignments will help the participant with career exploration and the development of workplace readiness skills. The additional PWE may not be for the same type of position and must give the participant the opportunity to learn and develop a new set of skills. The additional PWE may be consecutive but not concurrent with any other PWE assignment.

## 2.4 Paid Work Experience Preparation

Before PWE services may be provided to participants under this chapter, the Board must:

* set an hourly wage for PWE participants that is consistent with or based on the hourly wage the Board uses for PWE under the WIOA Title I Youth Formula Program (see 2.5.3 Paid Work Experience Services Payment Structure);
* coordinate with VR contacts to conduct outreach and recruitment; and
* participate in an orientation and coordination meeting with TWC-VR staff and the Board's contractor, if applicable, to identify points of contact and strategies to ensure orderly coordination and communication among the Board, contractors, TWC-VR staff, schools, parents, and students.

If a Board contracts with another entity to perform some or all of the PWE deliverables, the Board must notify TWC-VR of the name and contact information of the contractor. A service authorization (SA) may not be issued before this information has been received.

Boards must notify TWC-VR thirty (30) days in advance of changes in the Board's contractor, hourly wage rate, or exceptions or exclusions to the type of worksites or businesses. If such changes are made, the hourly wage rate for a VR Participant must not be reduced during the Participant's paid work experience assignment.

### 2.4.1 Orientation and Coordination Meeting

Before initiating PWE services, the Board, the Board's contractor, if applicable, and TWC-VR staff must conduct the orientation and coordination meeting. These meetings are critical to establish communication, applicable points of contact for Boards and TWC-VR staff, and local process and coordination for sharing necessary paperwork and payment information. The Board must document the established process and provide a copy to TWC-VR staff.

The objective of the orientation and coordination meeting is to:

* identify all points of contact for the Board, Board contractors, and TWC-VR;
* review the Board's exceptions and exclusions for types of businesses or worksites eligible for PWE;
* establish procedures for local coordination and referrals;
* share and exchange information about the jobs and worksites available to participants;
* review information and documentation necessary to set up a participant to receive wages;
* determine the process for transmitting personally identifiable information (PII), including the use of encryption software for email correspondence; and
* establish coordination for obtaining and processing timesheets and payroll, including the frequency at which students will receive payment.

### 2.4.2 Worksite Development

TWC-VR staff members are responsible for developing opportunities and worksites in both the public and private sector for PWE placements. TWC-VR staff may collaborate with Board or contractor staff to identify worksites based on the Board's expertise in the local labor market and established relationships with area employers. TWC-VR complies with the Board's exclusions and exceptions to the type of worksites or businesses eligible for participation in PWE.

Based on the significance of a participant's impediments to employment and associated support needs, TWC-VR may also purchase PWE services from a TWC-VR contracted employment services provider (ESP). For additional information about PWE services delivered through ESPs, refer to Chapter 14: Work Experience Services of the Vocational Rehabilitation Standards for Providers Manual. ESPs develop appropriate worksite placements for the individual participant and monitor the Participant's progress. ESPs do not provide wage services.

TWC-VR staff members or ESPs conduct a worksite orientation with the designated worksite supervisor or contact person. The orientation includes an overview of:

* worksite and participant responsibilities;
* the hourly rate the participant will be paid, as specified by the Board in Section 2.5.3 Paid Work Experience Services Payment Structure;
* the maximum number of hours that the participant may work per week (up to 20);
* the start and end dates for the PWE placement (not to exceed 12 weeks); and
* the requirement that the worksite supervisor or contact person timely submit a complete and accurate timesheet or payroll record to the designated person.

In accordance with Federal guidance on [Employment Eligibility Verification| USCIS](https://www.uscis.gov/i-9), Form I-9 is used for verifying the identity and employment authorization of individuals hired for employment in the United States. Although it is ultimately the Board contractor's responsibility as the employer of record, a TWC-VR staff member may assist participants with preparing any required I-9 paperwork when necessary. A TWC-VR staff member may sign the I-9 as a preparer or translator; however, staff members should be mindful that they are attesting under oath that they have assisted in the completion of the form and that, to the best of their knowledge, the information is true and correct.

Participants may provide identification and employment authorization documents in person or by mail.

Temporary policies related to COVID-19 by The Department of Homeland Security (DHS) and U.S. Immigration and Customs Enforcement (ICE) must be followed, if applicable.

TWC-VR staff members or ESPs, as applicable, are responsible for monitoring worksites and addressing any needs or concerns of the worksite supervisor or contact person regarding the participant's performance. TWC-VR staff will notify Board or Board contractor staff of worksite incidents involving injury, property damage, or behavioral situations that result in termination of the student's PWE assignment within 48 hours.

TWC-VR staff monitors PWE to ensure that the hours worked by the participant do not exceed the number of hours indicated on the worksite agreement and SA.

### 2.4.3 Outreach and Recruitment

VR counselors in local offices identify current VR participants who may be appropriate for PWE services and initiate referrals to Boards using the procedures established in the orientation and coordination meeting. Boards must work collaboratively with local TWC-VR staff to plan, identify, and recruit candidates for PWE.

#### 2.4.3.1 Paid Work Experience Candidates

In addition to students who are current VR participants, candidates for PWE also include students who have not applied and been determined eligible for VR services but meet the definition of "Student with a Disability" as established by WIOA.

Both current VR participants and potentially eligible students must meet the following criteria to participate in PWE:

* The student must be 14–22 years of age and must be younger than 22 years of age as of the previous September 1. TWC-VR recognizes that students under age 16 may have infrequent opportunities for PWE; however, when such opportunities arise, students 14 and 15 years of age may participate in PWE.
* The student must be eligible for and receiving special education or related services under the federal Individuals with Disabilities Education Act or be an individual with a disability for purposes of Section 504 of the Rehabilitation Act.
* The student must be in an educational program, including:
  + secondary education;
  + nontraditional or alternative secondary education programs such as home schooling;
  + postsecondary education; or
  + another recognized educational program, such as those offered through the juvenile justice system.

#### 2.4.3.2 Paid Work Experience Eligibility

TWC-VR counselors are solely responsible for determining VR program eligibility. VR counselors must approve all students for PWE. Students who are potentially eligible may participate in PWE; however, the VR counselor is responsible for obtaining documentation and verifying that the individual meets the definition of "Student with a Disability" as established by WIOA.

Boards may refer potential VR participants to TWC-VR by providing the documentation required by the procedures established during the orientation and coordination meeting.

An SA authorizing payment of wages for a VR participant must be issued to the Board or Board contractor before services may begin.

## 2.5 Financials and Payment Structure

### 2.5.1 Payment

TWC pays Boards for achievement of the deliverables described in Section 2.4 Paid Work Experience Preparation by applying the payment structure in Section 2.5.3 Paid Work Experience Services Payment Structure. Boards must retain documentation to support completion of the deliverables.

TWC is not obligated to pay unauthorized costs, or more than the amount listed for the deliverables in Section 2.5.3. Payment is made to Boards for wages paid for actual time worked at the worksite and other costs associated with payroll.

Local TWC-VR staff issues an SA to the Board or Board contractor authorizing payment of wages for a VR participant. With the SA, TWC-VR staff provides information about the participant, the maximum number of hours they may work per week, and the end date for PWE services. Boards must not provide PWE to a VR participant beyond the end date specified on the most recent SA.

### 2.5.2 Invoicing and Payment for Services

All invoices must include, at a minimum:

* the Board's complete name and remittance address including city, state, and ZIP code;
* the Board's 14-digit Texas vendor identification number;
* the Board's contact name and telephone number, email address, or fax number;
* the SA number (purchase order);
* the VR office's name and address or delivery address, as applicable;
* the contract number;
* a description of the goods or services provided, including the dates of service;
* the quantity and unit cost being billed, as documented on the current SA; and
* any other information required by applicable state and federal laws, rules, and regulations governing the provision of services under the contract.

The service end date for PWE services is either the date on which the Board payroll cycle ended or the date on which the VR participant completed the PWE assignment.

#### 2.5.2.1 Inaccurate Invoices

TWC-VR does not accept invoices that are incorrect or that do not include all the required items listed in 2.5.2 Invoicing and Payment for Services. Incomplete or incorrect invoices and any associated reports will be returned to the Board with a request for the Board to make the necessary corrections. The Board must resubmit the correct invoice and required documentation for review and payment.

#### 2.5.2.2 Recoupment of Funds Paid

A Board must promptly settle overpayments discovered by TWC. If a Board discovers an overpayment, the Board must immediately report it to the assigned program specialist, contract manager, or another TWC staff member to arrange for reimbursement.

#### 2.5.2.3 Payments Due

TWC is obligated to pay only for goods and services that lead to the results required for payment, as explained in this manual and on the SA.

#### 2.5.2.4 Payment for Services

In accordance with the Texas Prompt Payment Act, upon timely receipt of a complete invoice for accepted services, TWC pays the maximum payment amount per VR participant listed in Section 2.5.3 Paid Work Experience Services Payment Structure. TWC accepts services that are supported by Board documentation of successful completion of the deliverables, consistent with the SA issued by TWC-VR staff.

Local TWC-VR staff issues an SA to initiate PWE services. The SA includes:

* the start and end dates for the participant's PWE assignment;
* the number of hours the participant is approved to work each week (not to exceed 20); and
* the hourly wage rate, as determined by the Board according to Section 2.4 Paid Work Experience Preparation.

Local TWC-VR staff includes a VR1990, Paid Work Experience Worksite Agreement with the SA. The worksite agreement provides information necessary for the Board to establish PWE services for the participant, including:

* the participant's name;
* the participant's VR case ID number;
* the name and physical address of the public or private entity serving as the worksite;
* the name and contact information for the designated worksite supervisor or contact person responsible for signing or certifying the participant's timesheets; and
* the participant's projected PWE schedule.

TWC-VR staff provides additional documentation or information to the Board according to the local coordination and referral procedures established in the orientation and coordination meeting (see Section 2.4.1). Boards then set up wage services for the participant, either directly or through a subcontractor.

Boards pay the participant's wages for each period upon receipt of a completed timesheet or payroll record from the designated worksite supervisor or contact person responsible for verifying the hours that the participant worked. The timesheet or payroll record must be signed or certified by both the designated worksite supervisor or contact person and the participant (see Section 2.5.4).

To receive payment from TWC-VR, Boards must submit a complete invoice and supporting documentation to the TWC-VR office listed as the "Remit to" address on the SA. Boards may invoice TWC-VR weekly, biweekly, or monthly based on the Board or Board contractor's payroll cycle or other billing cycle. TWC will make payment by direct deposit to each Board's account.

### 2.5.3 Paid Work Experience Services Payment Structure

The Board may not collect money from a VR participant or the participant's family for any PWE services. If VR and another resource are paying for a service for a participant, the total payment received by the Board for the service must not exceed the payment amount specified below.

A PWE participant's wages are paid at a unit cost of $19.96 per hour, which includes the hourly wage paid to the student (consistent with other WIOA Title I Youth Formula programs) and other applicable taxes and fees for payroll processing, payroll reporting, other payroll functions, worker's compensation coverage, and criminal background checks or drug screenings when required by the employer.

|  |  |  |
| --- | --- | --- |
| **Schedule of Deliverables and Payments Cost** | **Description** | **Supporting Documentation** |
| Unit Cost ($19.96) for Participant Wages | * The Unit Cost for participant Wages = the hourly wage rate paid to the participant + required taxes and insurance + applicable fees. * Boards determine the participants' wage rate consistent with the wage rate paid for WIOA Title I Youth Formula programs. * Boards are paid the Unit Cost for participant Wages x the number of hours worked in the billing period, whether weekly, biweekly, or monthly. | Participant timesheet or payroll record reflecting actual hours worked by the participant and signed or certified by the worksite supervisor or contact person and participant. |

### 2.5.4 Outcomes Required for Payment

To be eligible for payment, Boards must document and submit information to demonstrate that wages were paid to participants based on actual hours worked. Timesheets or payroll documentation from the TWC-VR participant's PWE worksite may be collected by the Boards, the Board's contractors, or VR staff and this process should be established via the orientation and coordination meeting discussed in Section 2.4.1 of this chapter. Boards must ensure that timesheets and payroll records submitted as supporting documentation for wage payments are complete and accurate.

### 2.5.5 Working Capital Advance

A Board may request a working capital advance of up to $5,000 from TWC. If a Board requires an advance payment to ensure that funds are available to support the contracted services, that advance must be authorized by TWC. This option recognizes:

* the specialized nature of the needed services;
* that Boards have limited or no unrestricted funds with which to provide the specialized services; and
* that state policies permit advance payment in limited circumstances, such as when advance payment is required by a vendor offering specialized services.

To request a working capital advance, Boards must submit the Advance for Wage Services for Paid Work Experience invoice to payables.cder@twc.texas.gov following execution of the contract.

TWC will determine whether to authorize the advance payment and will notify the Board of the decision. If an advance payment is authorized, TWC will make a payment by direct deposit to the Board.

Boards must repay the working capital advance at the end of the contract period by submitting a Cash Remittance Report (PDF) along with repayment of the working capital advance to the address specified on the form by September 30th of each calendar year. Boards must specify "6" in the Reason Coding column and type "Remittance of Wage Services Advance" in the explanation field under the form's Reason Coding description.

## 2.6 Required Reporting

### 2.6.1 Reporting Abuse, Fraud, Misconduct, and Waste

A Board is responsible for any abuse, fraud, misconduct, or waste that is committed by the Board's staff or subcontractors. If abuse, fraud, misconduct, or waste is reported, the Board must provide the assigned TWC contract manager with:

* the name of the individual providing the information;
* the name of the individual submitting the information (if different from the individual providing the information);
* the name of an additional contact person;
* details about whether and when law enforcement was notified;
* the names of witnesses;
* the name of the individual or facility being reported; and
* detailed information about the abuse, fraud, misconduct, or waste.

Boards must report all allegations of abuse, fraud, misconduct, and waste to TWC Fraud Reporting.

### 2.6.2 Reporting Substance Abuse by VR Participants

If a VR participant is observed using alcohol or drugs or if any other evidence of substance abuse by the VR participant exists, the Board must:

* report the information immediately to the VR counselor; and
* document that the VR counselor was informed of the observations or other evidence.

### 2.6.3 COVID-19 Precautions

In response to the COVID-19 pandemic, TWC staff must ensure participant compliance with Centers for Disease Control and Prevention and Occupational Safety and Health Administration recommendations, as well as any state, local, and/or employer requirements pertaining to personal protective equipment (PPE).

## 2.7 Board Contract Standards

### 2.7.1 Documentation, Recordkeeping, and Monitoring

Boards and subcontractors associated with the PWE program must maintain PWE participants' records for the purposes of documenting, invoicing, program planning, monitoring, and service delivery. Boards and subcontractors must retain financial and supporting documents, statistical records, and any other records pertinent to the services provided under the PWE program.

Boards and subcontractors associated with the PWE program must allow on-site monitoring visits and desk reviews, as deemed necessary by TWC, to review financial and other records and management control systems relevant to PWE services. Boards and subcontractors must remedy in a timely manner any weaknesses, deficiencies, or program noncompliance found as a result of a review, audit, investigation, or monitoring visit conducted by TWC.

### 2.7.2 Records Storage

All records must be maintained on paper or in an electronic format in a secure and confidential manner. The records and documents must be kept for seven years after the date of submission of the final invoice or until all billing-related questions are resolved, whichever is later.

#### Paper Records Storage

Paper is the preferred method for storing records. Stored paper documents must be protected as required in 2.7.3 Confidentiality and kept in a retrievable and organized manner that prevents the documents from being stolen, tampered with, or damaged.

The Board assumes all business risk associated with lost records. Lost records could result in adverse action against the Board.

#### Electronic Storage (Not Cloud-Based or on a Third-Party Server)

Records stored on desktop computers or portable devices (for example, laptops, USB flash drives, hard drives, CDs, and DVDs) must be protected as required in 2.7.3 Confidentiality and 2.7.4 Data Encryption.

Portable devices must be protected from theft, tampering, or damage. The Board is responsible for all data collection and assumes all business risk associated with lost data. Lost data could result in adverse action against the Board.

#### Cloud-Based Storage

Records that are stored entirely or partially in the cloud must be stored in compliance with the Federal Risk and Authorization Management Program (FedRAMP) or must be able to be made compliant in a defined period and independently verified and validated by a FedRAMP-accredited third-party assessment organization.

The Board must comply with TWC's requirement that all data remain in the United States and must meet TWC's stringent privacy and security requirements, which include the following:

* Protecting confidential TWC information, including personally identifiable information (PII), from unauthorized disclosure, unauthorized access, and misuse in accordance with the National Institute of Standards and Technology's (NIST) Special Publication 800-122, Guide to Protecting the Confidentiality of Personally Identifiable Information (PII) by establishing controls such as role-based access, encryption at rest, and encryption in transit
* Disposing of data in a manner that complies with NIST Special Publication 800-88, Guidelines for Media Sanitization
* Complying with TWC's minimum encryption standards—the Federal Information Processing Standard (FIPS) 140-2, validated 256-bit Advanced Encryption Standard, and SHA-256 Cryptographic Hash Algorithm
* Complying with TWC's minimum cryptographic protocol Transport Layer Security (TLS) 1.1 (TLS 1.2 preferred) for protecting the security and privacy of communications over a computer network and the internet
* Maintaining continuous process improvement and vigilance to assess risks, monitor and test security protection, and implement changes needed to protect TWC data
* Cooperating fully with TWC's chief information security officer to detect and remediate vulnerabilities in the hosting infrastructure or applications
* Giving TWC access to the Board's facilities, installations, technical capabilities, operations, documentation, records, and databases to the extent required to carry out FedRAMP assessments and continuous monitoring and to safeguard against threats to the security, integrity, and confidentiality of nonpublic TWC data that are collected and stored by the Board
* Complying with any additional FedRAMP privacy requirements
* Understanding that TWC has the right to perform manual or automated audits, scans, reviews, or other inspections of the information technology (IT) environment being used to provide or facilitate services for TWC

The Board must notify TWC about new or unanticipated threats or hazards or about safeguards that cease to function as they are discovered.

In accordance with Federal Acquisition Regulation 52.239-1, the Board must:

* obtain the contract officer's written consent before publishing or disclosing the details of safeguards that the Board designs, develops, or otherwise provides to TWC under contract (exception: disclosures to a consumer agency for the purposes of certifying or verifying authorization); and
* give TWC access within 72 hours to the Board's facilities, installations, technical capabilities, operations, documentation, records, and databases to the extent required to conduct an inspection to safeguard against threats and hazards to the security, integrity, and confidentiality of TWC data.

Inspections include vulnerability scans of authenticated and unauthenticated operating systems, networks, web applications, and database applications. Automated scans can be performed by TWC personnel (or agents acting on behalf of TWC) using equipment operated or authorized by TWC and using TWC-specified tools.

If the Board chooses to run its own automated scans or audits, results from the scans or audits may, at TWC's discretion, be accepted in lieu of vulnerability scans performed by TWC; however, the scanning tools and their configurations must be approved by and the complete results must be provided to TWC.

### 2.7.3 Confidentiality

All Boards, contractor employees, and subcontractors must keep VR participant and employee information confidential. The Board must provide physical safeguards for confidential records, such as locked cabinets or encrypted file storage, and ensure that the records are available only to authorized staff members as needed to provide goods or services. VR participant case records must be stored in a secured location where there is maximum protection against fire, water damage, theft, and other hazards.

If a breach of confidentiality is discovered, the Board must report it immediately to the assigned VR counselor or TWC contract manager.

### 2.7.4 Data Encryption

VR policy and federal law require that all email messages containing confidential information are sent using the level of encryption required by publication 140-2 of FIPS. If a Board is not equipped to use the FIPS 140-2 level of encryption, the Board must ask a TWC-VR staff member who is so equipped to send the email message. The same message can then be used to send encrypted information back to VR when the directions are followed accurately.

If the Board fails to use the FIPS 140-2 level of encryption, the Board must report a breach of confidentiality to the assigned TWC contract manager.

### 2.7.5 Sound Fiscal and Business Practices

Boards must demonstrate business procedures and internal controls that prevent the following practices:

* Abuse—practices that result in unnecessary costs, such as intentional destruction, diversion, manipulation, misapplication, or misuse of public resources in both financial and nonfinancial settings
* Fraud—any intentional conduct designed to deceive others that results in a loss to the victim and/or a gain or benefit to the actor
* Misconduct—intentional wrongdoing or improper behavior or activity
* Waste—the thoughtless or careless expenditure, consumption, mismanagement, misuse, or squander of public resources, such as incurring unnecessary costs because of inefficient or ineffective practices, systems, or controls

Boards, Board employees, and subcontractors must:

* implement and maintain business controls that prevent abuse, fraud, misconduct, or waste;
* implement, maintain, and strengthen controls over the costs of services; and
* obtain high-quality goods and services that are cost-effective for VR participants.

## 2.8 Basic Standards for Boards Providing Services to VR Participants

All Boards must comply with this section.

### 2.8.1 Professionalism

Boards, Board staff, and subcontractors must perform in a professional manner and dress in business casual attire that is appropriate for the work activity and workplace when providing services, visiting VR offices, and interacting with VR participants and staff.

A professional manner is defined as:

* maintaining the confidentiality of all participant information in full compliance with state and federal regulations;
* obtaining a written confidentiality release when sharing information with others who are not TWC-VR staff or the participant's legal guardian;
* reporting in a timely manner and to appropriate authorities the abuse or neglect of any participant or participant's family member;
* considering the negative impacts of action or inaction on the part of the individual or contractor to the health, safety, or welfare of any participant or participant's family member; and
* avoiding relationships with VR participants or TWC-VR staff that would impair the contractor's objectivity in performing his or her duties or that would endanger confidentiality.

Board staff members and subcontractors must not:

* represent themselves as a State of Texas employee;
* represent the Board as a state agency;
* engage in activities or relationships with VR participants that might be misconstrued by the VR participant; or
* allow a third party to be present when meeting with a VR participant at the VR participant's home or business, unless the VR participant has signed a release allowing the third party to be present or unless the third party is a potential employer.

### 2.8.2 Conflict of Interest

Boards and potential contractors must not offer, give, or agree to give TWC staff anything of value. Anything of value includes prepared foods, gift baskets, promotional items, awards, gift cards, meals, or promises of future employment.

If a violation occurs, corrective action is required and may include contract termination or disqualification from receiving a future contract with TWC. Real or apparent conflicts of interest might occur when a former VR employee becomes an employee or a subcontractor of a Board. A Board must not:

* hire, contract with, or accept as a volunteer any current employees of TWC-VR;
* hire, contract with, or accept as a volunteer any former employees of TWC-VR earlier than 12 months after the separation date if the former employee will provide contracted services as defined in this manual or Texas Government Code §572.069; or
* knowingly request or obtain confidential information from a state employee for the personal or professional benefit of the contractor.

The scenarios above do not make up a complete list of real or apparent conflicts of interest. Failure to disclose a conflict of interest can result in contract termination, disqualification from receiving a future contract, and/or recoupment of payments.

Each Board must have a current VR3444, Conflict of Interest Certification, on file with its contract manager.

### 2.8.3 Board Required Policy and Procedures

The Board must develop and adhere to policies and procedures to protect VR participants, VR participant interests, visitors, and Board staff. Boards must have policies and procedures in place before providing services to VR participants and must review and update their policies to ensure continued compliance. Boards must ensure that their policies and procedures do not conflict with the standards or requirements of their contract. Boards must develop a written plan and maintain documentation that staff and participants, as appropriate, have been educated on policies and procedures.

At a minimum, Boards must have written policies and procedures on the following:

* Maintaining confidentiality of VR participant and employee information (refer to 2.7.3 Confidentiality and 2.7.4 Data Encryption), including:
  + providing physical safeguards;
  + providing authorized access; and
  + reporting a breach of confidentiality
* Managing VR participant expectations and responsibilities
* Managing VR participant grievances
* Providing VR participants with the toll-free VR telephone number (1-800-628-5115) and explaining that the number is for applicants and participants to use to report complaints or compliments about the contractor
* Maintaining the Board's standards on:
  + promoting employment of qualified individuals with disabilities;
  + maintaining professionalism;
  + avoiding conflicts of interest;
  + maintaining confidentiality;
  + using data encryption;
  + following sound fiscal and business practices;
  + reporting abuse, fraud, misconduct, and waste;
  + referring participants to VR; and
  + adhering to the terms of the contract
* Providing VR participant orientation on the reporting of allegations or incidents of abuse, exploitation, or neglect that involve individuals with disabilities
* Reporting observations or evidence that a participant is using alcohol or drugs (see 2.6.2 Reporting Substance Abuse by VR Participants)
* Reporting unusual or unexpected incidents that compromise or may compromise the health or safety of individuals or the security of property used by the Board's employees or VR participants and visitors, including:
  + how to obtain emergency medical services for VR participants; and
  + how and when to report incidents

### 2.8.4 Safe and Secure Environments

Boards must provide a safe and secure environment for their employees, VR participants, and visitors. The Board must report all incidents in accordance with the Board's contract, policies, and procedures and state and federal regulations and laws. An incident is an unusual or unexpected event that compromises or may compromise the health or safety of individuals or the security of property. The Board must report incidents that involve VR participants, the Board's employees, or subcontractors.

Examples of incidents include, but are not limited to:

* violence, including domestic violence;
* automobile accidents;
* physical or sexual assault;
* terrorist threats;
* serious medical emergencies, deaths, or suicides;
* breaches of confidential information (refer to 2.7.3 Confidentiality);
* theft or loss of property or mischievous or malicious destruction of property on loan from or purchased by VR;
* negative behaviors displayed by VR participants;
* fires or accidents involving hazardous materials;
* interruption of service that is due to an emergency or disaster;
* threat of harm to oneself or others by personal contact, letter, phone, or email; and
* abuse, neglect, or exploitation of an individual with a disability.

All incidents must be reported within one business day to the VR counselor and TWC contract manager. VR policies and procedures and Texas law require VR employees to report incidents in writing to the appropriate licensure and investigating agencies.