

January 12, 1995

Compliance Memorandum No. 6

Subject: Reporting Direct Labor Hours of Trainees

1. PURPOSE

This memorandum provides guidance for reporting the direct labor hours of individuals employed in a nonprofit agency under Federal, State or local vocational training programs (hereinafter trainees). This memorandum supersedes Compliance Memorandum No. 4, dated February 26, 1993.

2. GENERAL

a. Definitions

All hours of direct labor for work performed by trainees (either disabled or nondisabled) in any facility under the administrative control of a nonprofit agency are considered. Direct labor means all work required for preparation, processing, and packing of a commodity or work directly related to the performance of a service, but not supervision, administration, inspection or shipping.

b. Requirements

These hours must be included in the direct labor hours reported on Committee Form 403, "Annual Certification - Qualified Nonprofit Agency for the Blind" or Committee Form 404, "Annual Certification - Qualified Nonprofit Agency Serving People with Severe Disabilities." Although some trainees may receive funding from various Federal, State or local programs due to a disability, before their direct labor hours may be reported as direct labor hours performed by persons who are blind and/or severely disabled for the Javits-Wagner-O'Day (JWOD) Program, they must qualify as "blind" or "other severely disabled" under 41 CFR 51-1.3 of the Committee regulations. In addition, the nonprofit agency must maintain files on each individual as required by 41 CFR 51-4.3(b)(5) of the Committee regulations.

c. Penalty

Failure to either maintain the required documentation on each individual or to record and report properly direct labor hours performed by trainees may result in the withdrawal of a nonprofit agency's authority to participate in the JWOD Program.

Beverly L. Milkman
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