

# NORTH CENTRAL ARKANSAS WORKFORCE DEVELOPMENT BOARD

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WDB Policy #: 1.80

Effective Date: 3/08/2017

Revision Date: 6/13/2018

SUBJECT Debt Collection

PURPOSE

The Debt Collection Policy covers the collection of debts associated with the disallowed expenditure of Workforce Innovation and Opportunity Act (WIOA) funds.

BACKGROUND

WIOA requires that local areas establish fiscal procedures that comply with 20 CFR §683.420 (a)(i). Cited law and regulations also require Local Workforce Development Boards to collect established debts stemming from the disallowed expenditure of funds.

DEBT COLLECTION

The North Central Arkansas Workforce Development Board shall require the designated Fiscal Agent to assure resolution of all audit and/or findings through aggressive debt collection action to be taken for any and all “disallowed” expenditures as required by the referenced federal and state laws, regulations and policies. The settlement of such debts resulting from fraud, malfeasance, misapplication of funds or other serious violations or illegal acts which have been “disallowed” must be repaid in cash from nonfederal sources.

Funds collected by designated Fiscal Agent in settlement of these debts must be returned to the Arkansas Department of Workforce Services immediately upon receipt. The Fiscal Agent shall maintain records that document the actions taken with respect to debt collection, restoration or other debt resolution activities and shall document the actions taken to support these decisions. In addition, the permanent records of all debtors shall contain documentation sufficient to demonstrate that all necessary steps to collect such debt have occurred.

References:

WIOA §184(c); Title 20 CFR 683.410(a), 683.420(a)(i), 683.750  
2 CFR Part 652

Approved by the NCAWDB on June 13, 2018

NCAWDB Chair Signature: James Williams