

Policy Number: Section 1 Policy 2

Effective Date: 12-6-16

## Debt Collection Policy

### Purpose:

This policy provides guidance and direction to the Central Arkansas Workforce Development Area Board and staff regarding 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.

### Policy:

The 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 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

Title 20 CFR 683.410(a), 683.420(a)(i), 683.750

2 CFR Part 200, 2 CFR 200.327, 200.328, 200.330, 200.331, 200.338

OMB Uniform Administrative Requirements

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Date: 12-6-16

Title: CAWDB Chairperson