NORTHWEST OREGON WORKS	**POLICY F05: DEBT COLLECTION**
	APPROVED: 1/27/2017 **REVISION:** **APPROVED BOARD REVISION:** **INTERNAL REVIEW CONDUCTED: 6/15/25**
	❒ **NEW** ❒ **REVISED**

PURPOSE

To provide policy and procedures for debt collection associated with a disallowed cost of Workforce Innovation and Opportunity Act (WIOA) funds.

POLICY

It is the policy of the Oregon Northwest Workforce Investment Board doing business as Northwest Oregon Works (NOW) to assume the responsibility for the audit resolution of its sub-recipients and to pursue aggressive debt collection when necessary. A sub-recipient debt is established when NOW determines through project management, fiscal or performance monitoring, or an audit that a previously reimbursed expense is unreasonable or unallowable in accordance with applicable federal Department of Labor and/or Workforce Innovation and Opportunity Act requirements and guidelines.

NOW will establish procedures for notification of sub-recipients for which there are debt findings, for an appeal to the Executive Director if desired by the sub-recipient, and for immediate payment. All WIOA debts must be paid within 30 calendar days of the date on which the debt was established as final, unless a payment plan has been negotiated based on the size of the debt and the ability of the debtor to pay and such payment plan has been approved by the Office of Workforce Investment and the Higher Education Coordinating Commission.

When the debt was not a result of fraud, malfeasance, misapplication of funds or other serious violations or illegal acts, the cash repayment of the disallowance is a credit to the title and year to which it was originally charged. The credit reduces the expenditures of the period of the cost that was refunded.

The use of stand-in costs may be considered as a substitute for disallowed costs in audit resolution. The application of stand-in costs occurs at the audit resolution process.

Records that document the actions taken with respect to debt collection, restoration, or other debt resolution activities and records that document why the actions were taken to support their decisions shall be established and retained permanently.