

June 11, 2008

To: WIA Contractors of the Orange County Workforce Investment Area

From: Andrew Munoz
Workforce Investment Board
Executive Director



Subject: Debt Collection
Information Notice No. 07-OCWDA-13
Revised from Information Notice No. 02-OCWDA-#52

PURPOSE:

To define OCWIB criteria and eligibility documentation requirements relating to Debt Collection.

EFFECTIVE DATE:

This notice is effective September 10, 2001

REFERENCE:

WIA State Directive WIAD01-5 dated 9/10/01

BACKGROUND:

Employment Development Department's (EDD) issued a directive which requires Local Workforce Investment Boards to follow specific procedures related to debt collection.

POLICY AND PROCEDURE:

Orange County WIB will comply with all requirements of EDD Directive WIAD01-5 for Debt Collection.

Procedures:

1. Document all actions taken related to debt collection, restoration or other debt resolution activities.



2. Notify subrecipients of the establishment of the debt and the following:
 - A. Their appeal rights
 - B. The date that the debt will be considered delinquent
 - C. Sanctions, including debarment
 - D. Interest to be charged
3. Three debt collection letters must be sent to the subrecipient at no less than 30 calendar day intervals.
4. A receivable must be set up in the County's general ledger system for each established debt.
5. The Orange County WIB and its subrecipients will attempt full recovery of all debts, which may possibly result in the initiation of litigation. If circumstances exist that justify compromising or terminating debts, the County will comply with all requirements of WIA Directive WIAD01-5.
6. A log must be maintained which identifies the status of any established debts and establishes a permanent record of the debt procedures followed.
7. To be relieved of a debt, the Orange County WIB must submit a written request to EDD which includes the following:
 - A. Supporting documentation illustrating compliance with WIA Section 184(d) and Title 20 CFR Section 667.730
 - B. Copies of debt letters sent
 - C. Results of litigation
 - D. Summary of withholding of funds
8. Barring other arrangements with EDD's Compliance Review Division (CRD), all debts must be paid within 30 calendar days of the date on which the debt was established as final.
9. When the debtor is unable to make restitution in full, installment payment plans may be set up in short increments, however, they must be approved by the EDD's CRD. Installment repayment agreements will be of short duration, from 3 to 12 months, with a maximum of 36 months. Funds collected by Orange County WIB and its subrecipients in settlement of debts must be returned to the EDD-CRD immediately on their receipt. The mailing address is:

Employment Development Department
Compliance Review Division, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

ACTION: Bring this policy to the attention of all staff.

INQUIRIES: Direct questions about this policy to Danny Wassenaar, Accounting Manager
Telephone: (714) 567-7481 Fax: (714)834-6870; Email: Danny.Wassenaar@hcs.ocgov.com