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FINAL GUIDANCE

RESPONSIBILITIES FOLLOWING THEFT OF FEDERAL FUNDS

OF INTEREST TO:

Workforce Florida Inc. (WFI), Regional Workforce Boards (RWBs), and other recipients and subrecipients of federal funds that are administered by the Agency for Workforce Innovation (Agency).

SUBJECT:

Required response of RWBs to theft of federal funds.

PURPOSE:

To describe the responsibilities of RWBs when federal funds they receive through the Agency are misspent due to fraud or theft.

DEFINITIONS:

A “misexpenditure” is any expenditure that is inconsistent with applicable State or federal requirements. Misexpenditures are subject to recovery by the Agency and may include loss due to fraud or theft within the RWB, by the RWB’s subrecipient, or by the RWB’s vendor.

GUIDANCE:

In any instance of misexpenditure due to fraud or theft of federal funds received through the Agency, RWBs are responsible for the following:

- Having procedures in place to timely discover the fraud or theft. (The Master Cooperative Agreement states, “Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property and other assets.”)
- Promptly reporting the fraud or theft to the Agency Inspector General through the Incident Reporting System;

- Having accounting records supported by source documentation such as canceled checks, invoices, purchase orders, paid bills, payroll, time and attendance records, contract and subgrant documents and tax records;
- Reporting the fraud or theft to the appropriate law enforcement agency;
- Investigating the causes and determining the exact dollar amount of the fraud or theft;
- Taking appropriate action to mitigate the loss;
- Cooperating in any prosecution of the perpetrator of the fraud or theft;
- Cooperating with any monitoring, inspection, investigation or audit deemed necessary by the Agency, the Florida Comptroller or the Florida Auditor General;
- Pursuing aggressive debt collection action to recover the misspent funds;
- Maintaining documentation sufficient to demonstrate all of the above.

AUTHORITY:

WIA Sections 184(c)(1); 184(d)(1); 184(d)(2)

20 C.F.R. § 667.720

Master Cooperative Agreement between the Agency and the RWBs