

X. Monitoring and Audits

10.1.080 Local Agency Collections

Authority 2008 7 CFR 246.15(b); CFR 246.23(d); MPSF: WC-04-33-P

Issued 10/2005

Revised 10/2009

POLICY: When the state agency (SA) determines through contract monitoring, consultations, desk audits or monthly administrative cost reports that the local agency (LA) has failed, without good cause, to adhere to the requirement of their contract the SA may assess a claim against the LA.

PROCEDURES:

- A. LA collections include the following:
 - 1. Withholding of funds due to:
 - a. Failure to perform required work or services.
 - b. Failure to submit reports when due.
 - 2. Penalties or fines of the LA up to \$10,000 for misuse or illegal use of WIC program funds, property or assets.
- B. The following information will be maintained regarding LA collections:
 - 1. The name of each LA from which the program income was collected or funds withheld.
 - 2. Date of the claim.
 - 3. Date collected.
 - 4. Amount collected.
 - 5. Evidence that the LA had full opportunity to challenge the claim before any funds were collected and recorded as LA collections.
- C. LA collections can be used as any of the following, depending on the needs of the program:
 - 1. WIC food dollars (100%)
 - 2. WIC nutrition services and administrative dollars (100%)
 - 3. Both WIC food and nutrition services and administrative dollars in any combination.
- D. The WIC state director will determine how collections will be used at the end of each quarter. Documentation of use will be maintained and provided to FNS through routine reporting procedures.
- E. LA collections will be used during the fiscal year:
 - 1. In which the claim arises
 - 2. In which the funds are collected; and/or
 - 3. Following the fiscal year in which the funds are collected.