


MERCED COUNTY WORKFORCE DEVELOPMENT BOARD

1900 Airdrome Entry · Atwater, CA 95301 · (209) 724-2000 · Fax (209) 383-4039

POLICY BULLETIN

MCWDB PB # 08-25	Date of Release: June 26, 2025
To:	All Merced County Workforce Development Board Staff and Service Providers
From:	Erick Serrato, Merced County Workforce Development Board
Effective Date:	June 26, 2025
Subject:	Recovery of WIOA Tuition and Training Refunds
Responsible Official:	MCWDB Fiscal Manager



PURPOSE

The purpose of this policy is to ensure the responsible stewardship of public workforce funds by establishing procedures for the recovery of unused tuition and training costs when participants do not complete their training. This policy applies to programs funded by the Workforce Innovation and Opportunity Act (WIOA) and any additional federal, state, local or other workforce development grants administered by the Merced County Workforce Development Board (MCWDB). It provides clear guidance for MCWDB staff, subrecipients, and training providers to ensure compliance with applicable regulations, including EDD Directive WSD19-10 and 2 CFR Part 200.

BACKGROUND

The Workforce Innovation and Opportunity Act (WIOA) Final Regulations, Title 20 CFR 683.410(a)(1), state that it is the responsibility of the recipient and each subrecipient to conduct regular oversight and monitoring of WIOA-funded activities to ensure that expenditures are made in accordance with the cost categories and limitations established by WIOA and its implementing regulations.

The Employment Development Department (EDD) Directive WSD19-10, dated February 20, 2020, mandates that all WIOA subrecipients must establish and maintain a local written policy and procedure to ensure the recovery of unused WIOA tuition and training funds.

POLICY:

The Merced County Workforce Development Board (MCWDB) and sub-recipients shall establish a written agreement with each Training Provider prior to the start of participant training. This agreement must clearly outline the procedures for tuition payment. It may allow for partial or full payment upon participant enrollment, with the remaining balance paid upon receipt of a Certificate of Completion and verification that the participant has successfully completed the training program.

All participants enrolled in training must be covered by MCWDB Recovery of Tuition and Training Refunds Policy. It is the responsibility of MCWDB staff and sub-recipient to monitor the Training Provider.

The MCWDB and its Subrecipients Responsibilities

MCWDB and its subrecipients shall:

1. Acknowledge and determine when a refund is due for the early termination of a participant's training.
2. Maintain at minimum a monthly tracking system to verify whether the participant remains enrolled in training and to ensure timely recovery of any unused training funds.
3. Manage the collection process for outstanding training and/or tuition refunds.

Prior to participant enrollment, MCWDB staff or the subrecipient shall:

1. Provide the Training Provider with a copy of the Recovery of WIOA Tuition and Training Refunds Policy.
2. Ensure that the Training Provider agrees to the policy and clearly defines the duration of training required before a refund will no longer be honored.

3. Specify the conditions under which a refund is required due to over-invoicing.
4. Clearly define the recovery procedures used for over-invoicing or for services not rendered.

Training Provider Responsibilities

The Training Provider must agree to the following:

1. Define the minimum time a participant must remain in training after which a refund is no longer applicable.
2. Notify the MCWDB or subrecipient within three (3) business days if a participant drops out of the training program.
3. Ensure the prompt return of any unused funds resulting from participant early withdrawal.
4. Process and issue the refund within thirty (30) of notifying the MCWDB or subrecipient of participant's withdrawal.
5. Collaborate with MCWDB or subrecipient to determine the prorated amount of tuition to be refunded based on the percentage of the course completed.

Advance Payments

Payments shall not be paid in advance unless specifically required as a condition of attendance, as in a tuition due before the start of training). In such cases, advance payment must be approved by the MCWDB on a case-by-case basis. When advance payment is approved, the Training Provider and MCWDB staff or subrecipient must adhere strictly to the Recovery of WIOA tuition and Training Refunds Policy.

Noncompliance and Enforcement

In the event the Training Provider fails to remit a required refund:

- The MCWDB reserves the right to cancel any existing agreements with that Training Provider.
- Any due refund may be deducted from any future payments to the Training Provider.
- If further payments are due, Merced County's collection procedures will be initiated.

Failure by the MCWDB or subrecipient to recover refundable costs will result in audit findings and potential disallowed costs.

REFERENCES

EDD Directive WSD19-10

Title 2 CFR Part 200 -Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards