

**Report on  
Liquidated and Delinquent  
Accounts Receivable  
June 30, 2003**



**Legislative Fiscal Office**  
December 2003

**STATE OF OREGON  
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December 15, 2003

To the Members of the Seventy-Second Oregon Legislative Assembly:

Enclosed is a compilation of the reports on liquidated and delinquent accounts receivable that were submitted to the Legislative Fiscal Office in accordance with ORS 293.229(1). The statute requires state agencies to report on the status of their liquidated and delinquent accounts each fiscal year. The same statute requires our office to compile these reports into one summary for the Legislative Assembly. This is the fourth report required under the statute.

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# Introduction and Background

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## Introduction

During the 1999 legislative session, House Bill 3509 was introduced to provide statutory guidance to state agencies on the collection of past due accounts. The bill amended Chapter 293, Oregon Revised Statutes, *Administration of Public Funds*. The statute requires state agencies (with some identified exceptions) to turn over to the Department of Revenue, or to private collection agencies, liquidated and delinquent accounts for which no payment had been received within a year. Legislation passed during the 2003 session, and effective January 1, 2004, will require agencies to turn the accounts over for collection if no payment has been received within 90 days.

Further, the statute requires annual reporting of liquidated and delinquent accounts to the Legislative Fiscal Office. The Legislative Fiscal Office is required to compile the reports and issue one report to the Legislative Assembly. This is the fourth report under the statute.

## Reporting under the statute

Each state agency must submit to the Legislative Fiscal Office by October 1 of each fiscal year, “a report that describes the status of that agency’s liquidated and delinquent accounts and efforts made by that agency to collect liquidated and delinquent accounts during the previous fiscal year.” [ORS 293.229 (1)] Definitions used and instructions for reporting are included as Appendix 5 and Appendix 6, respectively.

This year, eight agencies failed to report. (See Appendix 3)

## Implementation of the statute

The Department of Administrative Services, State Controllers Division has taken the lead to implement the statute. It staffs the Accounts Receivable Core Committee which brings together state agencies to develop and maintain policies and procedures. Updated policies and procedures are incorporated in the Oregon Accounting Manual. The Committee also provides a forum for consensus building and serves as a means of communicating progress throughout state government.

The Division has a website (<http://scd.das.state.or.us/AR/arcc.htm>) to provide updated information on collection of receivables by state agencies. It also uses the information provided by agencies (and included in this report) to analyze state collection data. Its analysis is included in the State Controllers Division Accounts Receivable Core Committee Strategic Plan.

## **Acknowledgements**

The Legislative Fiscal Office would like to acknowledge the following contributors to this effort:

- the Department of Administrative Services, State Controllers Division for providing staff support;
- members of the Accounts Receivable Core Committee for their help in updating instructions for reporting;
- the Information Systems staff of Legislative Administration who made it possible for the information to be submitted via the Internet; and
- the Department of Administrative Services, Information Resources Management Division for providing a secure host for input of the required information.

## Results of Reporting

### Summary of reporting results

This report accounts for 148 separate state agencies and programs. Agencies were notified of reporting requirements via the Accounts Receivable Core Committee and statewide email. The Department of Administrative Services, State Controllers Division also maintains a website for this project (<http://scd.das.state.or.us/AR/lfo.htm>). The reporting instruction manual was updated and a training session was conducted.

	FY 2003	%
Agencies reporting no accounts	69	46.6%
Exempt agencies not reporting	14	9.5%
Agencies that did not report	8	5.4%
Agencies reporting accounts	57	38.5%
<b>Total</b>	<b>148</b>	<b>100.0%</b>

### Summary of liquidated and delinquent accounts receivable

Presented below is the summary of liquidated and delinquent accounts that agencies reported to the Legislative Fiscal Office. A number of agencies reported that they had no such accounts. A list of the agencies that reported activity during the year on liquidated and delinquent accounts and their outstanding balances is included as Appendix 1 to this report. Some agencies with delinquent account beginning balances reported that the accounts were resolved and ended the year with no liquidated and delinquent accounts. A list of agencies reporting no liquidated and delinquent accounts is included as Appendix 2. Agencies required to report, but did not report, are listed in Appendix 3.

	Number of Accounts	Dollar Value of Accounts
1. Beginning Balance	1,008,067	\$ 1,374,117,364
2. Additions	595,872	481,052,574
3. Collections		(219,160,707)
4. Account Closed	(255,050)	
5. Write-Offs	(26,576)	(44,960,638)
6. Adjustments		(53,458,019)
7. Reversals	(21,011)	(237,366,113)
<b>8. Ending Balance</b>	<b>1,301,302</b>	<b>\$ 1,300,224,461</b>

Because collections and adjustments (page 3, lines 3 and 6) could have been made on accounts that are either still open, closed, or subsequently written off, only the dollar amounts of collections and adjustments were reported. Similarly, only the number of accounts that were closed are reported on line 4. Reversals are accounts previously reported as liquidated and delinquent, but have now changed status. The Department of Human Services also reported reversals of \$180 million to correct for a double counting of beginning balances.

A breakdown of the reported balances outstanding by fund type is presented below.

**Liquidated and delinquent accounts receivable by fund type**

<b>Fund Type</b>	<b>Dollars</b>	<b>%</b>
General Fund	\$ 414,334,085	31.9%
Lottery Funds	542,959	00.0%
Other Funds	359,685,468	27.7%
Other Funds Pass-Through	312,352,754	24.0%
Federal Funds	213,309,195	16.4%
<b>Total</b>	<b>\$ 1,300,224,461</b>	<b>100.0%</b>

Of the \$414 million General Fund balance, the Department of Revenue accounted for \$377 million. Adult and Family Services of the Department of Human Services, the Student Assistance Commission, and the Employment Department accounted for most of the Federal Funds outstanding. The Judicial Department reported \$393 million of Other Funds receivables outstanding, \$147 million of which are Pass-Through funds. Adult and Family Services reported \$65 million of Other Funds Pass-Through receivables. The Department of Consumer and Business Services reported significant Other Funds receivables outstanding. The Lottery Commission reported the Lottery Funds receivables.

**Agencies exempt from reporting**

Certain state agencies are exempt from ORS 293. The State Accident Insurance Fund Corporation is exempt from Chapter 293, except for ORS 293.240, which establishes the process for writing off uncollectible accounts. The Oregon Health and Science University Public Corporation is exempt as its enabling legislation states that the university “shall not be considered...a state agency for purposes of state statutes.”

Many commissions and boards also claim exemption from the reporting requirement because of the placement of House Bill 3509 in the Oregon Revised Statutes. Since the reporting requirement was codified in ORS 293.229, any

state agency whose enabling legislation exempted it from a range of sections of ORS 293 that included ORS 293.229 would be exempted from reporting their liquidated and delinquent accounts receivable.

The Department of Administrative Services, State Controllers Division reviewed applicable statutes to determine whether agencies properly claimed statutory exemption from reporting. A list of agencies that did not report because they are exempt is included as Appendix 4 to this report.

**Collections by Department of Revenue**

The statute (ORS 293.231) now requires that accounts be turned over to the Department of Revenue or private collection agencies for collection. Presented here is summary information on accounts turned over to the Department of Revenue by agencies that reported.

	<b>Number of Accounts</b>	<b>Dollar Value of Accounts</b>
Beginning Balance	267,994	\$ 149,344,232
Additions		127,694,906
Collections		(19,266,315)
Returned		(58,229,650)
<b>Accounts Outstanding</b>	<b>324,424</b>	<b>\$ 199,543,173</b>

**Department of Revenue activities resulted in total collections of \$26.7 million**

The Department of Revenue has a statutory Collections Unit that can be used by state agencies to assist in collection efforts. During the year, the Department of Revenue reports that it collected \$15.6 million using collection activities like those used by private collection agencies.

Additionally, the Department of Revenue may collect, on behalf of agencies, from “any refunds or sums due to the debtor from the Department of Revenue or any other state agency.” During the fiscal year ended June 30, 2003, the Department collected \$11.1 million by offsetting 62,000 different accounts.

**Collections by private collection agencies**

Prior to the statutory change on liquidated and delinquent accounts, the use of private collection agencies was allowed, but not mandatory. Now agencies must turn over liquidated and delinquent accounts to the Department of Revenue or private collection agencies for collection. The statute now also requires agencies to report on the accounts turned over

to private collection agencies. Presented here is a summary of accounts turned over to private collection agencies for the year ended June 30, 2003.

	<b>Number of Accounts</b>	<b>Dollar Value of Accounts</b>
Beginning Balance	217,411	\$245,581,418
Additions		\$153,633,180
Collections		(\$8,040,050)
Returned		(\$79,019,887)
<b>Accounts Outstanding</b>	<b>345,057</b>	<b>\$312,154,661</b>

### **Exempt accounts**

Not all accounts can be transferred to the Department of Revenue or to private collection agencies. There may be federal or state statutory or regulatory prohibitions that would cause them to be exempt from transfer. Specific exemptions are codified in ORS 293.231(6)(a) through (i). If other state or federal laws exempt agencies from turning over accounts for collections, ORS 293.231(5) applies. The number and dollar value of the statutorily exempt accounts are presented on the next page.

The statute (ORS 293.233) also allows exemptions to be established administratively by the Department of Administrative Services. These are set forth in the Oregon Accounting Manual (OAM) referenced as OAM 35.30.20.PO.114(j) through (r). Presented on the next page is summary information on accounts reported as administratively exempt from transfer for collection.

**Accounts Reported as Exempt from Requirement to Turn Over for Collection  
June 30, 2003**

	<b>Number of Accounts</b>	<b>Dollar Value of Accounts</b>
<b>Statutorily exempt</b>		
Under ORS 293.231(6), sub		
a) consensual security interest	516	\$ 9,749,692
b) court ordered judgement	479	10,779,351
c) litigation, bankruptcy, mediation, etc.	8,863	56,980,987
d) student loan of a student attending school	0	0
e1) state agency receivables	82	243,432
e2) federal or local government receivables	115	195,918
f) hospitalized debtor	7,919	19,702,671
g) imprisoned debtor	107	580,336
h) account less than \$100	30,963	1,572,808
i) loss of federal funds or federal program funds	9,562	36,190,005
Under ORS 293.231(5)	1	120
<b>Subtotal statutorily exempt</b>	<b>58,607</b>	<b>\$ 135,995,320</b>
<b>Administratively exempt</b>		
Under OAM 35.30.20.PO.114, sub		
j) debtor hardship	1,330	\$ 4,344,590
k) non-consensual lien	82	3,622,259
l) secured by bond	33	358,263
m) payment on multiple accounts within 1 year	4,903	2,342,741
n) DAS petition approved exemptions	15,312	152,889,975
o) ORS Chs. 825, or 826 related to a motor carrier	2	145
p) wage garnishment or order prevents	2,122	17,281,953
q) spousal or child support (see Note below)	0	0
r) not income-producing and no assets	7	17,300
<b>Subtotal administratively exempt</b>	<b>23,791</b>	<b>\$ 180,857,226</b>
<b>TOTAL exemptions June 30, 2003</b>	<b>82,398</b>	<b>\$ 316,852,546</b>

Of the total \$1.3 billion accounts reported, 24% (\$316.9 million) were classified as exempt from the statutory requirement to be turned over for collection. Of this, \$180.9 million, or 57%, were reported as administratively exempt. Of those, \$152.9 million, or 84%, are exempt through specific request by the Department of Revenue. Most of these are delinquent personal income taxes.

**Note:** At June 30, 2002, the Department of Human Services reported 26,274 accounts amounting to \$181.3 million as exempt because they were accounts for spousal or child support. The Department did not report these types of accounts at June 30, 2003. Subsequently, the Department determined that it should have reported \$116.3 million as exempt in this category. It did not identify the number of accounts. The \$116.3 million was properly

reported as liquidated and delinquent amounts outstanding at June 30, 2003. It was not included as exempt from being turned over for collection. Had it been included as exempt, the total exemptions would have amounted to \$433.2 million, or 33%, of the total amount outstanding. Also, those administratively exempt would have been \$297.2 million, or 69%, of total exemptions.

Effective July 1, 2003, responsibility for reporting and managing these accounts was transferred to the Department of Justice. The Department of Administrative Services is working with both agencies to ensure proper reporting next year.

## Appendix 1

### Agencies reporting accounts

Agency	Total Accounts	Total Dollars
Accountancy, Board of	18	\$ 336,029
Administrative Services, Department of	426	2,053,596
Agriculture, Department of, and Commodity Comm	45	58,532
Aviation, Department of	4	4,080
Blueberry Commission, Oregon	1	169
Chiropractic Examiners, Board of	7	29,251
Clover Commission, Oregon	1	2,336
Construction Contractors Board	1,960	6,013,229
Consumer and Business Services, Department of	20,837	41,269,468
Corrections, Department of	342	236,325
DHS – Adult and Family Services Division	97,173	238,756,783
DHS – Director’s Office	38	1,246,042
DHS – Health Division	88	25,839
DHS – Mental Health Division	290	2,194,466
DHS – Office for Services to Children and Families	184	128,796
DHS – Senior and Disabled Services Division	549	4,312,275
DHS – Vocational Rehabilitation Division	4	12,247
Economic and Community Development Dept	79	2,088,990
Employment Department	29,309	42,831,536
Energy, Office of	2	23,109
Environmental Quality, Department of	673	3,023,109
Fair and Exposition Center, Oregon State	1	3,595
Fish and Wildlife, Department of	5	3,518
Forestry, Department of	135	300,602
Government Standards and Practices Commission	16	134,096
Hazelnut Commission, Oregon	1	8,138
Health Licensing Office	317	241,726
Highland Bentgrass Commission, Oregon	1	676
Housing and Community Services Department	159	597,277
Judicial Department, Oregon	968,853	392,762,100
Justice, Department of	671	15,136,570
Labor and Industries, Bureau of	29	1,278,880
Legislative Administration Committee	22	6,886
Lottery Commission, Oregon State	60	542,959
Marine Board	27	679
Medical Examiners, Board of	4	26,470
Military Department	21	9,522
Nursing, Board of	31	8,535
Orchardgrass Seed Producers Commission, Oregon	1	6,377
Oregon University System	26,884	34,091,713
Oregon Youth Authority	14	4,646

<b>Agency</b>	<b>Total Accounts</b>	<b>Total Dollars</b>
Parks and Recreation Department	2,635	\$ 79,926
Police, Department of State	281	253,020
Processed Vegetable Commission, Oregon	1	0
Public Employees Retirement System	188	627,932
Public Utility Commission	63	11,156
Racing Commission	14	2,300
Real Estate Agency	20	420,298
Revenue, Department of	111,648	390,550,371
Ryegrass Growers Seed Commission, Oregon	1	16,853
Secretary of State	127	63,131
State Lands, Division of	2	725
Student Assistance Commission, Oregon	11,744	96,481,739
Tax Practitioners, Board of	34	199,950
Transportation, Department of	25,168	17,924,462
Veterans' Affairs, Department of	86	3,744,677
Water Resources Department	8	36,749
<b>Total</b>	<b>1,301,302</b>	<b>\$ 1,300,224,461</b>

## Appendix 2

### Agencies reporting no accounts

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Albacore Commission, Oregon
Alfalfa Seed Commission, Oregon
Asian Affairs, Commission on
Bartlett Pear Commission, Oregon
Beef Council, Oregon
Black Affairs, Commission on
Blind, Commission for the
Capitol Planning Commission
Chewings Fescue and Creeping Red Fescue Commission
Children and Families, State Commission on
Clinical Social Workers, Board of
Columbia River Gorge Commission
Community Colleges and Workforce Development, Dept of
Counselors and Therapists, Board of Professional
Criminal Justice Commission
Dairy Products Commission, Oregon
Dentistry, Board of
Dieticians, Board of Licensed
Disabilities Commission, Oregon
Dispute Resolution Commission
District Attorneys and Their Deputies
Dungeness Crab Commission, Oregon
Employment Relations Board
Facilities Authority
Forest Resources Institute, Oregon
Fryer Commission, Oregon
Geologist Examiners, Board of
Geology and Mineral Industries, Department of
Governor, Office of the
Hispanic Affairs, Commission on
Hop Commission, Oregon
Investigators, Board of
Land Conservation and Development, Department of
Land Use Board of Appeals
Legislative Assembly
Legislative Commission on Indian Services
Legislative Counsel Committee
Legislative Fiscal Office
Legislative Revenue Office
Library, Oregon State
Long-Term Care Ombudsman
Mint Commission, Oregon

Naturopathic Examiners, Board of
Nursing Home Administrators, Board of Examiners of
Occupational Therapy Licensing Board
Oregon Watershed Enhancement Board
Parole and Post-Prison Supervision, Board of
Pharmacy, Board of
Potato Commission, Oregon
Psychiatric Security Review Board
Psychologist Examiners, Board of
Public Defense Services Commission
Public Safety Standards and Training, Department of
Raspberry and Blackberry Commission, Oregon
Salmon Commission, Oregon
Sheep Commission, Oregon
Speech-Language Pathology and Audiology, Bd of Examiners for
Strawberry Commission, Oregon
Sweet Cherry Commission, Oregon
Tall Fescue Commission, Oregon
Teacher Standards and Practices Commission
Travel Information Council
Trawl Commission, Oregon
Treasurer of State
Veterinary Medical Examining Board
Water Resources Loan Program
Wheat Commission, Oregon
Women, Commission for

## Appendix 3 Agencies that did not report

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Court Procedures, Council on
Judicial Fitness and Disability, Commission on
Lane County Local Government Boundary Commission
Insurance Pool Governing Board
Education, Department of
Grains Commission, Oregon
Onion Commission, Western Oregon
Liquor Control Commission, Oregon

**Note:** All eight agencies reported in 2002. The Lane County Local Government Boundary Commission, Insurance Pool Governing Board, and Liquor Control Commission reported accounts and balances. The others all reported “Nothing To Report.”

## Appendix 4

### Agencies exempt from reporting

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Agency	Exempting Statute
Appraiser Certification And Licensure Board	ORS 674.349
Architect Examiners, Board of	ORS 182.460
Children's Trust Fund of Oregon Board	ORS 182.460
Examiners for Engineering and Land Survey, Bd of	ORS 182.460
Film and Video Office, Oregon	ORS 284.375
Landscape Architects Board	ORS 182.460
Landscape Contractors Board	ORS 182.451
Massage Technicians, Board of	ORS 182.451
Optometry, Board of	ORS 182.460
Oregon Corrections Enterprises	ORS 421.352
Oregon Health and Science University	ORS 353.100
Physical Therapist Licensing Board	ORS 182.451
State Accident Insurance Fund	ORS 656.753
Utility Notification Center, Oregon	ORS 757.552(3)

## Appendix 5

# Definitions used in the reporting process

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**State agency** – ORS 293 defines a state agency as “any officer, board, commission, department, division or institution in the executive or administrative branch of state government.”

**Account** – the debt relationship between a state agency and an individual or entity. Agencies may define “account” differently in their systems. For the purposes of this reporting requirement, a legal entity may have multiple debts with that agency. If treated in the agency’s system as the same account, it should be reported as one account in this report. If an agency treats each debt as a separate account and collects them separately, they may report them as separate accounts.

**Delinquent** – a delinquent account is defined as a receivable account for which payment has not been received by the due date. Most receivables have a specific due date. If any part of that debt is not paid by the due date, the account needs to be reported. Some debts do not have an obvious due date, such as overpayments. The due date for this debt may be determined by the agency. For example, the date on which the agency may start assessing interest or enforcing collection may be the best date to use. Accounts that are not yet due are not included in the report.

**Liquidated accounts** – are defined in the Oregon Accounting Manual (OAM). In general, a liquidated account is one where the exact past due amount is known, proper notification of the debt has been made to the debtor, and there has been a judgment, or a distraint warrant for taxes, or an administrative proceeding has established the debt, etc.

The definition provided in the Oregon Accounting Manual is included here.

**For purposes of ORS 293.229 - .233 and ORS 293.250, a liquidated debt is one for which:**

- a. An agency has determined an exact past due amount owing; and
- b. An agency has made a reasonable attempt to notify the debtor in writing of the amount owing and nature of the debt, and has requested payment; and
- c. The debt meets one of the following conditions: (See Note 1)
  1. Judgment has been entered on the debt.
  2. The debt is a tax debt for which a distraint warrant has been issued or the prerequisites of issuance have been met.
  3. Liability for, and the amount of, the debt have been established through an administrative proceeding.
  4. A non-complying employer’s debt for claim and administrative costs eligible for referral under criteria identified by the Department of Justice.
  5. (See Note 1) The debt arises from a promissory note.
  6. (See Note 2) The debt is an account stated under a preexisting written agreement between the agency and the debtor. A statement of account has been mailed or delivered to the debtor, and the debtor has not objected within a reasonable time, which should be specified by the agency. Example: A student signs a revolving

account agreement with the university, an invoice for a laboratory fee is mailed to the student and he does not object.

7. The debtor has, in writing, unconditionally acknowledged the debt, both as to liability and amount, or an agreement has been reached in writing between the agency and the debtor regarding the debt, both as to liability and amount. Once acknowledged, a debtor's claim of inability to pay does not, by itself, affect whether the debt is liquidated.
8. The amount due is derived by an arithmetical calculation of fees (including renewal fees), collection costs, charges, penalties, or the like, from a report or an application for a permit or license submitted by the debtor in accordance with a regulatory system administered by the agency, and the debtor has not disputed liability or the amount.
9. (See Note 2) Liability for a debt, but not its amount, has been established by an administrative or judicial proceeding, or by written acknowledgement of the debtor. The amount of the debt is determined by arithmetical calculation. The calculation has been mailed or delivered to the debtor in the manner of an account stated and the debtor has not objected within a reasonable time, which should be specified by the agency. Example: Balances due the Department of Consumer and Business Services for a non-complying employer as a result of an injury to a subject worker.

**Note 1:** For each delinquent account referred to the Collections Unit, the agency must specify which subsection .103 c. condition has been met. For c. 1-4 debts, the Collections Unit is authorized to utilize all potential collection tools, including warrants. For c. 5-9 debts, warrants cannot be issued. If warrant authority is necessary for effective collection, the debt must be returned to the agency for appropriate action to qualify the debt under subsections c. 1-4. In addition, if the debtor disputes whether a c. 5-9 debt is owing or liquidated, the debt will no longer be considered liquidated.

**Note 2:** Expiration of the time specified by an agency for objection to a billing, such as a c. 6 or 9 debt, does not necessarily extinguish the debtor's right to object. It means that the agency can act on the assumption the debtor does not dispute the debt. If the debtor thereafter disputes the debt, the debt will no longer be considered liquidated.

## Appendix 6

### Instructions for reporting

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#### 1. Beginning Balance

- 1A Enter the total number of liquidated and delinquent accounts as of July 1 of the reporting fiscal year. This number should equal the ending number of accounts (7A) from the previous year (unless this is the first report your agency is making).
- 1B Enter the dollar value of liquidated and delinquent accounts as of July 1 of the accounts reported in 1A. This includes the total debt that is liquidated and delinquent for the account. Debts include fees or any fines assessed. Include any penalties and interest that have been assessed on the principal debt. This number should equal the ending balance dollar value (7B) from the previous year (unless this is the first report your agency is making).

#### 2. Additions

- 2A Enter the total number of accounts that became liquidated and delinquent since July 1 of the reporting fiscal year. Only include accounts that had not been included as liquidated and delinquent in the beginning balance. If an account became liquidated and delinquent after July 1 and the amount was also collected prior to June 30 of the fiscal year, **include that account**.
- 2B Enter the total dollar value of liquidated and delinquent amounts added during the fiscal year. Note – the total number of accounts may not increase but the dollar value may. For example, a small agency may have 50 liquidated and delinquent accounts valued at \$5000 at the beginning of the year. They may not add any new accounts. However, an account may incur additional debt, such as interest, which would increase the total dollar value.

#### 3. Collections

- 3B Enter any amounts collected on any of the accounts included in the beginning balance or the additions during the fiscal year. Include amounts that were collected on accounts that became liquidated and delinquent (additions) during the period. **Do not use a minus (-) sign or brackets, collections defaults to a negative number.**

#### 4. Accounts Closed

- 4A Enter the number of accounts from the beginning balance or additions that were collected or resolved in some manner. Include only accounts that no longer have a liquidated and delinquent balance. This would include accounts that became liquidated and delinquent during the period and then were closed because they were fully collected. They would also include accounts that were closed because a portion was collected and a portion was compromised or adjusted. The amount written off or adjusted would be included in 6B below. **Do not use a minus (-) sign or brackets, accounts closed defaults to a negative number.**

## **5. Write-Offs**

- 5A Enter the number of accounts that had been liquidated and delinquent and then were written off during the fiscal year to close the accounts. **Do not use a minus (-) sign or brackets, the number of accounts defaults to a negative number.**
- 5B Enter the dollar value of liquidated and delinquent accounts that were written off during the fiscal year. **Do not use a minus (-) sign or brackets, the amount of write-offs defaults to a negative number.**

## **6. Adjustments**

- 6B Adjustments can either increase or decrease debt. Enter any amounts that had been designated liquidated and delinquent that were later adjusted. Adjustments include accounts or amounts that were set up in error or abated (were determined not to be owed). **You must enter a minus (-) sign if adjustments reduce the amount of liquidated and delinquent account balances.**

## **7. Reversals**

- 7A Enter the number of accounts reported as liquidated and delinquent on a prior report that need to be removed from liquidated and delinquent status. These can be accounts that were erroneously reported or that for some reason are again open for appeal. **Note: You should never have an entry in this field if this is the first report being made for this type of account.**
- 7B Enter the dollar value of the accounts being removed from liquidated and delinquent status. **Note: You should never have an entry in this field if this is the first report being made for this type of account.**

## **8. Ending Balance**

- 8A No entry is required because this number is computed. Use this as a check against your total to ensure all data has been entered properly.
- 8B No entry is required because this number is computed. Use this as a check against your total to ensure all data has been entered properly.