

**Report on
Liquidated and Delinquent
Accounts Receivable
June 30, 2010**



**Legislative Fiscal Office
December 2010**

**STATE OF OREGON
LEGISLATIVE FISCAL OFFICE**

900 COURT STREET NE
STATE CAPITOL, ROOM H-178
SALEM OR 97301-4048
PHONE 503-986-1828
FAX 503-373-7807



KEN ROCCO
LEGISLATIVE FISCAL OFFICER

DARON HILL
DEPUTY LEGISLATIVE FISCAL OFFICER

December 30, 2010

To the Members of the Seventy-Sixth 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. 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 eleventh report required under the statute.

Ken Rocco
Legislative Fiscal Officer

**Report on
Liquidated and Delinquent Accounts Receivable
June 30, 2010**

Table of Contents

	Page
Introduction and Background	
Introduction.....	1
Reporting under the statute.....	1
Implementation of the statute	1
Acknowledgements.....	2
Results of Reporting	
Summary of reporting results	3
Summary of liquidated and delinquent accounts receivable	3
Liquidated and delinquent accounts receivable by fund type.....	4
Agencies that did not report.....	4
Agencies exempt from reporting	4
Collections by Department of Revenue	5
Collections by private collection agencies	6
Exempt accounts	6
Appendix 1 – Agencies reporting accounts with activity.....	9
Appendix 2 – Agencies reporting no accounts	11
Appendix 3 – Agencies that did not report.....	13
Appendix 4 – Agencies exempt from reporting	14
Appendix 5 – Definitions used in the reporting process.....	15
Appendix 6 – Instructions for reporting.....	17

Introduction and Background

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 now requires 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 eleventh report issued 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, 5 agencies failed to report. This compares unfavorably to last year when all agencies reported. A list of the agencies that did not report is included as 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 for collection of accounts receivable. Updated policies and procedures are incorporated in the Oregon Accounting Manual. The Committee also provides a forum for consensus building and communicating progress throughout state government.

The Division has a website to provide updated information on collection of receivables by state agencies, located at: http://egov.oregon.gov/DAS/SCD/ASP/SWARM_main.shtm DAS also uses the information provided by agencies to analyze state collection data; that 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 year's effort:

- the Department of Administrative Services, State Controllers Division for providing staff support and data analysis;
- 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, State Data Center for providing a secure host for input of the required information.

Results of Reporting

Summary of reporting results

This report accounts for 132 separate state agencies and programs. Agencies were notified of reporting requirements via the Accounts Receivable Core Committee, statewide email, and the project website located at:

http://egov.oregon.gov/DAS/SCD/ASP/SWARM_main.shtm

The reporting instruction manual was updated and a training session was conducted.

Summary of Agency Reporting June 30, 2010		
Agencies reporting no accounts	50	37.9%
Exempt agencies not reporting	19	14.4%
Agencies reporting accounts	58	43.9%
Agencies that did not report	5	3.8%
Total	132	100.0%

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 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. A number of agencies reported that they had no such accounts, a listing of which is included as Appendix 2.

(Note: Agencies report independently, and the beginning balances do not always agree with ending balances reported the prior year.)

Liquidated and Delinquent Accounts June 30, 2010		
	Number of Accounts	Dollar Value of Accounts
1. Beginning Balance	1,912,712	\$ 1,983,318,754
2. Additions	637,774	712,594,874
3. Collections		(349,845,577)
4. Account Closed	(503,213)	
5. Write-Offs	(24,646)	(95,291,771)
6. Adjustments		(21,219,540)
7. Reversals	(29,419)	(79,087,071)
8. Ending Balance	1,993,208	\$ 2,150,469,669

Because collections and adjustments (lines 3 and 6) could have been made on accounts that are 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 is reported on line 4. Reversals are accounts previously reported as delinquent and liquidated, but have now changed status. The instructions for reporting provided descriptions of information to be included on each reporting line. For additional information, please see the instructions provided in Appendix 6.

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

Liquidated and delinquent accounts receivable by fund type

Fund Type	Dollars	%
General Fund	\$ 575,712,167	26.8%
Lottery Funds	669,455	0.0%
Other Funds	939,553,167	43.7%
Other Funds Pass-Through	352,102,297	16.4%
Federal Funds	282,432,583	13.1%
Total	\$ 2,150,469,669	100.0%

Of the \$576 million General Fund balance, the Department of Revenue accounted for \$538 million. The Judicial Department, the Department of Justice, and the Department of Consumer and Business Services reported significant Other Funds outstanding. Additionally, the Judicial Department and Department of Justice reported \$285 and \$67 million Other Funds Pass-Through, respectively. The Department of Justice, Employment Department, and Department of Human Services accounted for most of the Federal Funds outstanding. Lottery Funds receivables are from the Lottery Commission and the Oregon Business Development Department.

Agencies that did not report

This year 5 agencies did not submit reports, which is inconsistent with each of the last two years when all agencies reported. A list of the agencies that did not report is included as Appendix 3.

The statute is silent about consequences of non-reporting, however, it is incumbent upon agencies to report and all agencies should be expected to report in the future.

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 (1999) 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

ORS 293.231 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.

	Number of Accounts	Dollar Value of Accounts
Beginning Balance	252,260	\$ 254,174,338
Additions		184,152,839
Collections		(30,128,186)
Returned		(136,828,082)
Accounts Outstanding	258,960	\$ 271,370,909

Departmental collection activities resulted in total collections of \$43.6 million

Agencies have reported that \$30.1 million of liquidated and delinquent receivables were collected by the Department of Revenue. The Department of Revenue reports that its collection activities resulted in total collections of \$43.6 million for governmental agencies. This includes amounts collected for state agencies exempt from reporting, community colleges, and county corrections institutions.

The Department of Revenue has a 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 \$25 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, 2009, the Department collected \$18.6 million by offsetting 77,240 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 to private collection agencies for collection. The statute 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 that ended June 30, 2010.

	Number of Accounts	Dollar Value of Accounts
Beginning Balance	348,282	\$ 358,827,625
Additions		191,792,120
Collections		(10,202,760)
Returned		(211,448,000)
Accounts Outstanding	335,917	\$ 328,968,985

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.

ORS 293.233 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 35.40.10.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, 2010**

	Number of Accounts	Dollar Value of Accounts
Statutorily prohibited or exempt		
Prohibited under ORS 293.231(5)	809	\$ 876,399
Exempt under ORS 293.231(6), sub		
a) consensual security interest	726	13,692,462
b) court ordered judgment	486	15,513,057
c) litigation, bankruptcy, mediation, etc.	11,537	56,918,378
d) student loan of a student attending school	3	57,976
e1) state agency receivables	224	294,968
e2) federal or local government receivables	324	1,757,129
f) hospitalized debtor	14,973	39,767,829
g) imprisoned debtor	223	1,064,073
h) account less than \$100	8,472	562,588
i) loss of federal or federal program funds	24,345	44,253,600
Subtotal statutorily prohibited or exempt	62,122	\$ 174,758,459
Administratively exempt		
Under OAM 35.30.20.PO.114, sub		
j) debtor hardship	1,499	\$ 4,822,719
k) non-consensual lien	839	14,564,117
l) secured by bond	62	407,053
m) payment on multiple accounts within 1 year	1,517	2,733,979
n) DAS petition approved exemptions	29,769	224,263,472
o) ORS Chs. 825, or 826 related to a motor carrier	15	57,636
p) wage garnishment or order prevents	350	1,285,533
q) spousal or child support	269,900	261,937,235
r) not income-producing and no assets	379	1,147,824
Subtotal administratively exempt	304,330	\$ 511,219,568
Total exemptions June 30, 2009	366,452	\$ 685,978,027

Of the more than \$2.1 billion in liquidated and delinquent accounts reported, 32% (\$686 million) were classified as exempt from the statutory requirement to be turned over for collection. Of the \$686 million exempt, \$511 million, or 75%, were reported as administratively exempt. Of those administratively exempt, \$263 million, or 51%, are exempt because they are for spousal or child support payments which are governed by other federal rules and regulations. Additionally, \$169 million in accounts, or 33%, are exempt through specific request by the Department of Revenue. Most of these are delinquent personal income taxes.

Appendix 1

Agencies reporting accounts with activity

	Total Accounts	Total Dollars
Accountancy, State Board of	20	175,323
Administrative Services, Department of	3,387	1,373,276
Agriculture, Department of, & Commodity Comm.	79	258,974
Blueberry Commission, Oregon	1	169
Chiropractic Examiners, Board of	14	166,539
Community Colleges & Workforce Dev., Dept of	45	36,190
Construction Contractors Board	3,197	6,316,745
Consumer & Business Services, Dept. of	6,766	64,314,548
Corrections, Department of	3,083	1,764,745
Dungeness Crab Commission, Oregon	121	24,292
Education, Department of	4	33,215
Employment Department	53,258	74,953,875
Energy, Department of	81	143,334
Environmental Quality, Department of	1,800	3,904,069
Fish and Wildlife, Dept. of	13	8,036
Forestry, Department of	9	82,345
Government Ethics Commission, Oregon	9	66,837
Health Licensing Agency	317	281,306
Highland Bentgrass Commission, Oregon	1	541
Housing & Community Services Dept.	336	1,821,871
Human Services, Department of	27,631	59,344,560
Judicial Department	1,297,226	949,324,022
Justice Department	399,662	345,389,946
Labor & Industries, Bureau of	42	1,141,680
Legislative Administration Committee	5	715
Library, Oregon State	1	695
Licensed Social Workers, Board of	1	7,800
Liquor Control Commission, Oregon	24	15,061
Lottery Commission, Oregon State	59	277,955
Marine Board	59	1,185
Medical Imaging, Board of	1	1,500

Military Department	17	30,181
Mortuary and Cemetery Board	8	112,722
Nursing, Board of	94	150,545
Oregon Business Development Department	37	1,116,446
Oregon Medical Board	13	193,968
Oregon University System	30,008	52,719,211
Oregon Youth Authority	4	2,128
Parks & Recreation Department	3,092	173,040
Pharmacy, Board of	13	166,487
Police, Oregon State Department of	50	53,951
Private Health Partnerships, Office of	692	250,645
Prof. Counselors & Therapists, Board of	1	4,003
Psychologist Examiners, State Board of	1	1,000
Public Employees Retirement System	717	2,327,366
Public Safety Standards & Training, Dept. of	8	64,329
Public Utility Commission	149	35,702
Real Estate Agency	31	3,401,459
Revenue, Department of	155,074	559,394,391
Ryegrass Growers Seed Commission, Oregon	2	23,192
Secretary of State	56	156,913
Student Assistance Commission	19	203,034
Tall Fescue Commission, Oregon	1	884
Tax Practitioners, State Board of	19	3,307,151
Transportation, Department of	5,735	12,013,379
Veterans' Affairs, Department of	61	3,232,568
Water Resources Department	54	103,625
Total	1,993,208	2,150,469,669

Note: One agency, the Oregon Albacore Commission, had a liquidated and delinquent account at June 30, 2009, and reported activity during this reporting year. No balances were outstanding at June 30, 2010.

Appendix 2

Agencies reporting no accounts

Advocacy Commissions Office, Oregon
Alfalfa Seed Commission, Oregon
Aviation, Department of
Blind, Commission for the
Children & Families, Comm. on
Clover Commission, Oregon
Columbia River Gorge Commission
Court Procedures, Council on
Criminal Justice Commission
Dentistry, Board of
District Attorneys & their Deputies
Employment Relations Board
Facilities Authority
Fine Fescue Commission
Forest Resources Institute, Oregon
Governor, Office of the
Grains Commission, Oregon
Hazelnut Commission, Oregon
Judicial Fitness, Commission on
Land Conservation & Development
Land Use Board of Appeals
Legislative Assembly
Legislative Commission on Indian Services
Legislative Counsel Committee
Legislative Fiscal Office
Legislative Revenue Officer
Licensed Dieticians, Board of
Long-Term Care Ombudsman
Mint Commission, Oregon
Occupational Therapists, Board of

Orchardgrass Seed Producers Commission, Oregon
Oregon Watershed Enhancement Board
Parole & Post-Prison Supervision, Board of
Potato Commission, Oregon
Processed Vegetable Commission, Oregon
Psychiatric Security Review Board
Public Defense Services Comm.
Racing Commission
Raspberry & Blackberry Commission, Oregon
Salmon Commission, Oregon
Sheep Commission, Oregon
Speech Lang. Path. And Audiologists, Board of
State Lands, Department of
Strawberry Commission, Oregon
Sweet Cherry Commission, Oregon
Teacher Standards and Practices Comm.
Trawl Commission, Oregon
Treasury, Oregon State
Veterinary Med. Examiners, Board of
Wheat Commission, Oregon

Appendix 3 Agencies that did not report

Beef Council
Dairy Products Commission
Geology & Mineral Industries
Hop Commission
Naturopathic Examiners

The failure of these agencies to comply with the reporting requirement is not expected to materially affect the statewide numbers compiled in this report. The Beef Council, the Dairy Products Commission, the Department of Geology and Mineral Industries, and the Hop Commission had very little or no information to report in prior fiscal years.

The Naturopathic Examiners did report one outstanding account in the amount of \$21,500 for fiscal year 2009.

Appendix 4

Agencies exempt from reporting

Agency	Exempting Statute
Appraiser Certification and Licensure Board	ORS 674.305
Architect Examiners, Board of	ORS 182.460
Children's Trust Fund of Oregon Foundation	ORS 182.460
Corrections Enterprises, Oregon	ORS 421.352
Engineering and Land Surveying, Board of Ex for	ORS 182.460
Film and Video Office, Oregon	ORS 284.375
Geologist Examiners, Board of	ORS 182.460
Landscape Architects Board	ORS 182.460
Landscape Contractors Board	ORS 182.460
Massage Technicians, Board of	ORS 182.460
Optometry, Board of	ORS 182.460
Oregon Health and Science University	ORS 353.100
Patient Safety Commission, Oregon	ORS 182.460
Physical Therapists Licensing Board	ORS 182.451
State Accident Insurance Fund	ORS 656.753
Tourism Commission, Oregon	ORS 284.118
Travel Information Council	ORS 377.836
Utility Notification Center, Oregon	ORS 757.552(3)
Wine Board, Oregon	ORS 182.460

Appendix 5

Definitions used in the reporting process

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 or she 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

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 (8A) 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 (8B) 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 5B or 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, found uncollectible due to bankruptcy, compromised 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. These also can be loans that have been renegotiated and are no longer delinquent. **Do not use a minus (-) sign or brackets, the number of accounts defaults to a negative number.**

Note: You should never have an entry in this field if this is the first report being made for this type of account. Accounts reversed can be accounts in the beginning balance or that were added and reported as additions in the current year.

- 7B Enter the dollar value of the accounts being removed from liquidated and delinquent status. **Do not use a minus (-) sign or brackets, the number of accounts defaults to a negative number.**

Note: You should never have an entry in this field if this is the first report being made for this type of account. Accounts reversed can be accounts in the beginning balance or that were added and reported as additions in the current year.

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.