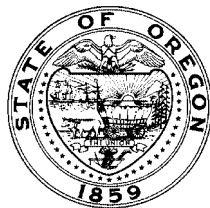


**Report on Delinquent and  
Liquidated Accounts  
Receivable  
June 30, 2000**



**Legislative Fiscal Office**  
December 2000

**STATE OF OREGON**  
**LEGISLATIVE FISCAL OFFICE**

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DEPUTY LEGISLATIVE FISCAL OFFICERS

December 20, 2000

To the Members of the Seventieth Legislative Assembly:

Enclosed is our compilation of the reports on delinquent and liquidated 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 delinquent and liquidated accounts each fiscal year. The same statute requires our office to compile those reports into one summary for the Legislative Assembly. This is the first report required under the statute.

Not all agencies were able to meet the reporting requirements in this first year. The report does not, therefore, present a complete picture of delinquent and liquidated accounts. The statutes allow for exemptions this first year and we expect to have more complete and accurate reporting next year.

However, we believe that this first year report can be of assistance to the legislature and I hope you find it useful.

Sincerely,

Mike Stinson  
Legislative Fiscal Officer

Enclosure



**Report on Delinquent and Liquidated  
Accounts Receivable  
June 30, 2000**

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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 became law October 23, 1999 (chapter 1092, Oregon Laws 1999) and amends Chapter 293, Oregon Revised Statutes, *Administration of Public Funds*. The statutes now require 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.

Further, the statutes now require annual reporting of liquidated and delinquent accounts to the Legislative Fiscal Office. The Legislative Fiscal Office is then required to compile the reports and issue one report to the Legislative Assembly. This is the first report under the new statute.

## Reporting under the statute

Each state agency must submit to the Legislative Fiscal Office by October 1, 2000 "...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)] The reporting is an annual requirement. Definitions used and instructions for reporting are included as Appendix 5 and Appendix 6, respectively.

The statutes allow for a transition period. Agencies that are unable to report the required information for the fiscal year ending June 30, 2000, are required to report to the Legislative Fiscal Office the status of progress toward meeting the reporting requirements. All agencies must submit reports "...for the fiscal year ending June 30, 2001, and for every fiscal year thereafter."

## First year activities

The Department of Administrative Services, State Controllers Division took the lead to implement the new statutes. It formed a task force known as the Accounts Receivable Core Committee to bring together state agencies to develop policies and procedures. The Legislative Fiscal Office was represented on the Committee. As well as being a forum for consensus building, the Committee served as a means of communicating progress throughout state government.

Because the new statutes established new requirements for collecting and reporting, the Committee formed a number of

subcommittees to complete its work. Among them was the Exemption Subcommittee to work on definitions and processes to be used by all agencies to identify and clarify the criteria for accounts exempt from the requirement to be sent out for collection, and accounts that should be turned over to private collection firms. These definitions and procedures will be completed and placed in the Oregon Accounting Manual (OAM).

A Reporting Requirements Subcommittee also was formed to develop the reporting criteria and a report format to meet the requirements of the law. This subcommittee included a representative from the Legislative Fiscal Office. The subcommittee was a valuable resource, working collaboratively with the Legislative Fiscal Office to develop a reporting process that would enable preparation of the required report. The subcommittee worked with Information Systems staff of Legislative Administration to develop a web-based data collection system that would allow agencies to submit the required information via the Internet.

## **Second year activities**

All agencies not statutorily exempt from reporting must report for the year ending June 30, 2001. Subsequent to the first year's reporting cycle, the Accounts Receivable Core Committee conducted a survey of agencies for input on the process. Sufficiency of training, adequacy of dissemination of information, and ease of submission of report information were all reviewed. All of the input received will be evaluated and necessary improvements made to make the collections and reporting processes more effective.

## **Acknowledgements**

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

The Department of Administrative Services, State Controllers Division for providing staff support for this effort;

The members of the Accounts Receivable Core Committee and its Reporting Requirements Subcommittee for their positive efforts to address implementation of HB 3509; and

The Information Systems staff of Legislative Administration who made it possible for the information to be submitted via the Internet.

## Results of Reporting

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### First year reporting exemption allowed

The first year of reporting under the statute allowed agencies a one-time exemption from the reporting requirement. Agencies that could not meet the reporting deadline because of recordkeeping practices, or other problems, had to report they would be unable to submit the required information. However, they were also required to provide an explanation as to why and what steps were being taken to ensure that they would be able to meet the reporting requirements next year.

### Summary of reporting results

We accounted for 150 separate state agencies and programs. Agencies were notified of reporting requirements via statewide email and written notifications. The Department of Administrative Services, State Controllers Division also maintained a web site for this project. A reporting instruction manual was developed and two training sessions were conducted. Summarized below are the reporting results by number of agencies.

Agencies reporting no accounts	68	45%
Exempt agencies not reporting	11	7%
Agencies that could not report	9	6%
Agencies reporting accounts	<u>62</u>	<u>41%</u>
<b>Total</b>	<b>150</b>	<b>100%</b>

Presented on the following page is a summary of agencies that reported delinquent and liquidated accounts to the Legislative Fiscal Office. A number of agencies reported separately that they had no delinquent and liquidated accounts. A list of the agencies that reported delinquent and liquidated accounts is included as Appendix 1 to this report. A list of agencies reporting no delinquent and liquidated accounts is included as Appendix 2.

Because collections and adjustments (lines 3 and 5) of the report, could have been made on accounts that are still open, accounts that were closed, and accounts that were subsequently written off, only the dollar amounts of collections and adjustments were reported. Similarly, only number of accounts closed are reported on line 4. Reversals are accounts previously reported as delinquent and liquidated, but now have changed status.



Instructions for reporting provided descriptions of information to be included on each reporting line. For additional information, please see Appendix 6.

**Summary of delinquent and liquidated accounts receivable**

**Delinquent and Liquidated Accounts  
June 30,2000**

	<b>Number of Accounts</b>	<b>Dollar Value of Accounts</b>
1 Begining Balance	295,994	\$748,785,885
2 Additions	207,933	\$358,809,511
3 Collections		(\$271,883,451)
4 Accounts Closed	(192,825)	
5 Write-Offs	(20,687)	(\$33,753,706)
6 Adjustments		(\$20,828,252)
7 Reversals	(234)	(\$605,474)
8 Ending Balance	<b>290,181</b>	<b>\$780,524,513</b>

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

**Delinquent and liquidated accounts receivable by fund type**

<b>Other Funds</b>	\$153,532,345	19.7%
<b>General Fund</b>	\$353,094,663	45.2%
<b>Federal Funds</b>	\$272,180,009	34.9%
<b>Lottery Funds</b>	<u>\$1,717,496</u>	<u>0.2%</u>
	<b>\$780,524,513</b>	<b>100.0%</b>

The Department of Revenue reported the largest General Fund balances outstanding. The Adult and Family Services Division of the Department of Human Services and Employment Department reported largest amount of Federal Funds outstanding. The Adult and Family Services Division and the Department of Consumer and Business Services reported significant Other Funds receivables outstanding. Economic Development Department and the Lottery Commission reported the Lottery Funds receivables.

**Agencies exempt from reporting**

Certain state agencies are exempt from Chapter 293, ORS. 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. Oregon Health Sciences University 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 HB 3509 in 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 delinquent and liquidated accounts receivable.

The Department of Administrative Services, State Controllers Division reviewed applicable statutes to determine whether agencies properly claimed statutory exemption from reporting. Some agencies statutorily exempt from reporting chose to follow the spirit of the statute and reported on the status of delinquent and liquidated accounts. A list of agencies that did not report because they are exempt is included as Appendix 3 to this report.

**Some agencies were unable to report this year**

Agencies not exempt reported to the Legislative Fiscal Office if they had no delinquent and liquidated accounts to report, or if they were unable to report this year. A list of the agencies who were unable to report is included as Appendix 4 to this report. Agencies reporting delinquent and liquidated accounts, with few exceptions, did so through the Internet.

**Collections by Department of Revenue**

HB 3509 provided new requirements on collection activities by state agencies. Statutes now require that accounts be turned over to the Department of Revenue and private collection agencies for collection. Presented below is summary information on accounts turned over to the Department of Revenue by agencies that reported. Information presented is for the year ended June 30, 2000.

	<b>Number of Accounts</b>	<b>Dollar Value of Accounts</b>
Beginning Balance	2,691	\$20,517,950
Additions		\$3,188,395
Collections		(\$959,951)
Returned		(\$2,441,316)
Accts Outstanding	<b>1,934</b>	<b>\$20,305,078</b>

**Department of Revenue collected \$27.9 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 \$13.6 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, 2000, the Department collected \$14.3 million by offsetting 107,000 different accounts.

**Collections by private collection agencies**

Prior to passage of HB 3509, the use of private collection agencies was allowed, but not mandatory. Now agencies must turn delinquent and liquidated accounts over to the Department of Revenue or private collection agencies for collection. Statutes now also require 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, 2000.

	<b>Number of Accounts</b>	<b>Dollar Value of Accounts</b>
Begining Balance	24,584	\$50,437,258
Additions		\$44,818,940
Collections		(\$1,739,368)
Returned		(\$12,850,052)
Accts Outstanding	<b>29,015</b>	<b>\$80,666,778</b>

**Some accounts are exempt from requirement to be sent out for collection**

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. HB 3509 also provided certain exemptions that are now codified in ORS 293.231(6). The statutes (ORS 293.233) also allow exemptions to be established administratively. Presented on the next page is summary information on accounts reported as exempt from transfer for collection.

Of the total \$781 million Delinquent and Liquidated accounts reported, 53 percent, or \$415 million were classified as exempt from the statutory requirement to be turned over for collection.

Of the \$415 million exempt, \$263 million or 63 percent were reported as administratively exempt.

**Accounts reported as exempt from requirement to turn over for collection  
June 30, 2000**

<b>Statutorily exempt</b>	<b>Number of Accounts</b>	<b>Dollar Value of Accounts</b>
a - consensual security interest	283	\$7,743,843
b - court ordered judgement	29	\$1,300,918
c - litigation, bankruptcy, mediation, etc.	10,450	\$46,165,249
d - student loan of a student attending school	0	\$0
e1 - state agency receivables	339	\$958,156
e2 - federal or local government receivables	198	\$751,272
f - hospitalized debtor	8,728	\$12,673,028
g - imprisoned debtor	2	\$56,091
h - account less than \$25.00	1,756	\$23,470
i - loss of federal funds or federal program funds	47,900	\$82,382,794
Exempted by Law - ORS 293.231(5)...	<u>26</u>	<u>\$77,541</u>
<b>Subtotal statutorily exempt</b>	<b>69,711</b>	<b>152,132,362</b>
<b>Administratively exempt</b>		
j - debtor hardship	224	\$2,846,491
k - non-consensual lien	218	\$5,471,764
l - secured by bond	558	\$2,237,908
m - payment on multiple accounts within 1 year	1,032	\$5,654,185
n - DAS petition approved exemptions	18,038	\$84,681,610
o - ORS Chs. 825, or 826 related to a motor carrier	140	\$356,097
p - wage garnishment or order prevents	3	\$164,187
q - spousal or child support	25,404	\$160,100,587
r - not income-producing and no assets	<u>165</u>	<u>\$1,423,519</u>
<b>Subtotal administratively exempt</b>	<b>45,782</b>	<b>\$262,936,348</b>
<b>Total exemptions June 30, 2000</b>	<b>115,493</b>	<b>\$415,068,710</b>

See the applicable statute for detail of statutory exemptions  
See Oregon Accounting Manual for administrative exemptions



## Appendix 1

### Agencies reporting accounts

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Agency	Total Accounts	Total Dollars
Chewings Fescue & Creeping Red Fescue Commission	1	\$5,657
Tall Fescue Commission, Oregon	1	\$40,292
Accountancy, State Board of	53	\$386,600
Administrative Services, Department of	1,133	\$3,286,291
Agriculture, Department of	58	\$87,380
Alfalfa Seed Commission, Oregon	1	\$5,153
Architect Examiners, Board of	2	\$7,000
Bartlett Pear Commission, Oregon	12	\$12
Blueberry Commission, Oregon	1	\$2,218
Clinical Social Workers, Board of	1	\$1,374
Clover Commission, Oregon	2	\$2,336
Construction Contractors Board	2,175	\$2,400,931
Consumer & Business Services	3,149	\$46,398,641
DHS - Adult & Family Services Division	66,442	\$204,346,792
DHS - Director's Office	328	\$2,797,557
DHS - Health Division	21	\$7,132
DHS - Mental Health Division	339	\$1,712,100
DHS - Office for Services to Children & Families	317	\$308,971
DHS - Senior and Disabled Services Division	805	\$5,132,962
DHS - Vocational Rehabilitation Division	1	\$671
Economic Development Department	48	\$1,195,880
Employment Department	34,814	\$51,976,636
Environmental Quality, Department of	1,299	\$1,335,257
Fair & Exposition Center, Oregon State	5	\$17,095
Fish and Wildlife, Department. of	4	\$2,048
Forestry, Department of	62	\$78,768

Hazelnut Commission, Oregon	2	\$13,993
Health Licensing Office	212	\$47,283
Highland Bentgrass Commission, Oregon	1	\$676
Housing & Community Services Department.	117	\$321,528
Justice Department	511	\$5,655,008
Labor & Industries, Bureau of	35	\$232,173
Landscape Contractors Board	180	\$50,693
Lane Co Local Govt Boundary Commission	16	\$18,845
Legislative Counsel Committee	54	\$18,290
Liquor Control Commission, Oregon	148	\$38,069
Lottery Commission, Oregon State	63	\$521,616
Marine Board	11	\$280
Medical Examiners, Board of	7	\$41,713
Military Department	2	\$8,434
Mortuary and Cemetery Board	15	\$1,939
Nursing, Board of	30	\$9,000
Office of Energy	2	\$12,694
Orchardgrass Seed Producers Commission, Oregon	2	\$6,377
Oregon Youth Authority	4	\$1,173
OUS - Chancellor's Office	5,990	\$6,646,746
Parks & Recreation Department	1,638	\$48,667
Police, Oregon State Department of	190	\$235,480
Potato Commission	43	\$8,682
Processed Vegetable Commission, Oregon	1	\$78,477
Psychologist Examiners, State Board of	1	\$1,000
Public Utility Commission	7	\$1,252
Racing Commission	6	\$1,550
Real Estate Agency	37	\$292,292
Revenue, Department of	145,112	\$341,440,821
Ryegrass Growers Seed Commission, Oregon	1	\$16,853

Secretary of State	115	\$469,514
State Lands, Division of	1	\$1,230
Student Assistance Commission	12,309	\$82,271,395
Transportation, Department of	12,107	\$14,105,460
Veterans' Affairs, Department of	125	\$6,248,840
Water Resources Department	12	\$120,716
<b>Totals</b>	<b>290,181</b>	<b>\$780,524,513</b>





## Appendix 2

### Agencies reporting no accounts

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Albacore Commission, Oregon  
Asian Affairs, Commission on  
Beef Council, Oregon  
Black Affairs, Commission on  
Blind, Commission for the  
Capitol Planning Commission  
Children & Families, Commission on  
Columbia River Gorge Commission  
Commission on Judicial Fitness  
Community Colleges & Workforce Development, Department of  
Court Procedures, Council on  
Criminal Justice Commission  
Dairy Products Commission, Oregon  
Dentistry, Board of  
Disabilities Commission, Oregon  
Dispute Resolution Commission, Oregon  
District Attorneys & their Deputies  
Dungeness Crab Commission, Oregon  
Education, Department of  
Employment Relations Board  
Fryer Commission, Oregon  
Geologist Examiners, Board of  
Geology & Mineral Industries, Department of  
Grains Commission, Oregon  
Hispanic Affairs, Commission on  
Hops Commission, Oregon  
Investigators, Oregon Board of  
Land Conservation & Development  
Land Use Board of Appeals  
Landscape Architects Board  
Legislative Administration Committee  
Legislative Assembly

Legislative Commission on Indian Services  
Legislative Fiscal Office  
Legislative Revenue Officer  
Library, Oregon State  
Licensed Dieticians, Board of  
Long-Term Care Ombudsman  
Mint Commission, Oregon  
Naturopathic Examiners, Board of  
Nursing Home Administrators, Board of  
Occupational Therapists, Board of  
Office of the Governor  
Onion Commission, Western Oregon  
Oregon Watershed Enhancement Board  
Parole & Post-Prison Supervision, Board of  
Pharmacy, Board of  
Processed Prune & Plum Growers Commission  
Professional Counselors & Therapists, Board of  
Psychiatric Security Review Board  
Public Defender  
Public Safety Standards & Training, Department of  
Radiologic Technicians, Board of  
Raspberry & Blackberry Commission, Oregon  
Salmon Commission, Oregon  
Sheep Commission  
Speech-Language Pathology and Audiology, Board of Examiners for  
Spinal Cord Injury Research Board  
Strawberry Commission, Oregon  
Sweet Cherry Commission, Oregon  
Teacher Standards and Practices Commission  
Travel Information Council  
Trawl Commission, Oregon  
Treasury, Oregon State  
Veterinary Medical Examining Board, Oregon  
Water Resources Loan Program  
Wheat Commission  
Women, Commission for

## Appendix 3 Agencies exempt from reporting

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<b>Agency</b>	<b>Exempting statute</b>
Examiners for Engineering & Land Survey, Board of	<b>ORS 182.454(3)</b>
Film & Video Office, Oregon	<b>ORS 284.375</b>
Inside Oregon Enterprises	<b>ORS 421.352</b>
Judicial Department	<b>ORS 293.227</b>
Massage Technicians, Board of	<b>ORS 182.451(1)</b>
Optometry, Oregon Board of	<b>ORS 182.454(5)</b>
Oregon Health Sciences University	<b>ORS 353.020</b>
Physical Therapists, Board of	<b>ORS 182.451(2)</b>
State Accident Insurance Fund	<b>ORS 656.753</b>
Trustees Children's Trust Fund, Board of	<b>ORS 182.452</b>
Utility Notification Center, Oregon	<b>ORS 757.552(3)</b>



## Appendix 4

### Agencies that were unable to report

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Agency	Reason
Aviation, Department of	Just came into being as separate agency. Still transferring records. Expect to have accurate information next year.
Corrections, Department of	Recently implemented a new accounting system for tracking and aging of inmate/offender debt for collection purposes. Will be able to accurately report next year.
Forest Resources Institute, Oregon	Staff turnover and vacancies.
Government Standards & Practices Commission	Developing a process to track and compile data on monthly basis to be able to report accurately next year.
Insurance Pool Governing Board	Did not have a system in place to report as required. Assuming these duties from a third party and will be prepared to report accurately next year.
Public Employees Retirement System	Accounting system not set up to report as required. Will be tracking for proper reporting next year.
State Board of Chiropractic Examiners	Developing new procedures to accurately track and report information for reporting next year.
Tax Service Examiners, State Board of	New receivables collections and reporting procedures are being implemented. Expect to have accurate information next year.
Resource & Technology Development Fund	Staff turnover. Will be prepared to report next year.



## 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.
- 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.

#### 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, 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 written off 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 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.**