

<b>OREGON ACCOUNTING MANUAL</b>		Number 35.40.30.PR
Oregon Department of Administrative Services State Controller's Division		Effective Date October 12, 2006
Chapter	<b>Accounts Receivable Management</b>	.1 OF .3
Part	<b>Account Assignments</b>	
Section	<b>Assignments – Department of Revenue</b>	Approval  Signature on file at SCD

### Assignment of Liquidated Accounts

- .101 Within the guidelines established in the related policy ([OAM 35.40.30 PO](#)), state agencies may use the Department of Revenue Other Agency Accounts (OAA) Unit for the collection of liquidated accounts.
- .102 Before the OAA Unit conducts business with a state agency, a service agreement must be completed by the agency and returned to the OAA Unit. Agencies must provide setup information and relevant updates for the service agreement.
- .103 Since only liquidated accounts may be assigned to the OAA Unit for collection, the assigning agency must identify on the service agreement which subsection (1-9) of [OAM 35.30.30.PO](#) paragraph .104c qualifies the agency's accounts as liquidated. For those accounts that meet the conditions of 1-4, the OAA Unit is authorized to utilize all potential collection tools, including warrants. For those accounts that meet the conditions of 5-9, the OAA Unit is not authorized to issue warrants. If warrant authority is necessary for effective collection, the debt must be returned to the agency for appropriate action to qualify the debt under 1-4. In addition, if the debtor disputes whether a 5-9 debt is owed or liquidated, the debt will no longer be considered liquidated.
- .104 Accounts submitted with a social security number must have received informed consent from the individual when the social security number was obtained. As per [5 U.S.C. § 552a Sec. 7\(b\)](#): "Any Federal, State or local government agency which requests an individual to disclose his social security account number shall inform that individual whether that disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, and what uses will be made of it."
- .105 Accounts of juvenile debtors of working age may be assigned to the OAA Unit.
- .106 Accounts of incarcerated debtors may be assigned to the OAA Unit. The anticipated release date needs to be indicated when the account is assigned.
- .107 Accounts of bankrupt debtors shall not be assigned to the OAA Unit. If a debtor files bankruptcy after the account is assigned to the OAA Unit, the account will be returned to the assigning agency. The account may be reassigned to the OAA Unit after the agency determines that the debt survived bankruptcy.

## Restricted Program (Offsets)

- .108 The OAA Unit's Restricted Program is known as the SOIL (Set-Off Individual Liability) Program or the offset program. Accounts are submitted for a possible offset against any refund the Department of Revenue may issue or other refunds owed the debtor from a state agency. The amount owing to an agency is deducted from the refund, and the individual receives a check for the difference.
- .109 Accounts assigned to the restricted program must include a social security number.
- .110 Restricted program accounts may only be submitted via data transfer. The data submitted should be formatted according to the service agreement guidelines specified in the OAA Unit's Data Transfer Guide at: [http://www.oregon.gov/DAS/SCD/SRS/OAA\\_Program\\_Overview.shtml](http://www.oregon.gov/DAS/SCD/SRS/OAA_Program_Overview.shtml).
- .111 The OAA Unit will inform a debtor of any offset through a letter that is either sent with the refund check or sent independently where the entire refund was offset.
- .112 Any apportionment (division of a tax refund on a joint return) request will be reviewed, and a determination will be made, calculated, and refunded by the OAA Unit, if appropriate. Any resultant change in the refund amount will then be charged back to the assigning agency's account. A notification of the apportionment request will be sent to the assigning agency.
- .113 The agency submitting the accounts to be subject to offset will hold any hearings as required by **OAM 35.30.30.PO** and will inform the OAA Unit of its findings. Any claims which are found to be not owing or not liquidated must be withdrawn from offset procedures by the assigning agency.

## Unrestricted Program

- .114 Unrestricted accounts may be submitted to the OAA Unit on paper or electronically.
- .115 The OAA Unit may set up accounts assigned for unrestricted programs without a social security number.
- .116 Accounts assigned to the unrestricted program are assigned with no restrictions as to the collection methods to be used.
  - a. In order to successfully collect from the debtors, the OAA Unit shall have full authority over the assigned accounts. If the assigning agency intervenes without consent, the OAA Unit may discontinue its efforts, assess the collection fee, and return the assigned account.
  - b. Assigning agencies must not continue to pursue collection from a debtor after having assigned the account to the OAA Unit's unrestricted program.
- .117 The following are guidelines for agencies in submitting liquidated accounts for collection under the unrestricted program:
  - a. The entire balance of a liquidated account must be submitted, not just a portion.
  - b. Comments identifying the nature of the liability will assist the OAA Unit in answering debtors' questions and reduce the number of calls to the assigning agency.
  - c. Agencies may receive a request to provide necessary and appropriate supporting documents including, but not limited to:
    - Credit/loan application
    - Copy of promissory note

- Credit information statement
  - Invoices or billings
  - Negotiable instruments, including NSF checks
  - Narrative statements of prior collection activity
  - Copies of key collection letters
  - Detailed statement of account showing beginning balance, payments made, ending balance, dates, interest, charges, etc.
  - Substantiation of collection charges or fees made against the account prior to assignment
  - Details of any other accounts with debtor
  - Proof of informed consent
  - Information obtained with regard to bankruptcy filings
  - Estate/asset information for deceased debtors
  - Estimated date of release for incarcerated debtors
- .118 Agencies may withdraw an assigned account by submitting notice to the OAA Unit. The OAA Unit reserves the right to request additional information from the agency requesting the return to determine if a collection fee will be charged. Refer to the service agreement for situations in which a collection fee may still apply.
- .119 Accounts that are determined by the OAA Unit to be uncollectible will be returned to the submitting agency with no collection fees charged. The account will also be returned where the statutory time permitted for the OAA Unit's collection activity has expired (see [ORS 293.231\(4\) and ORS1.197](#)).
- .120 The assigning agency's name will appear in the offset notification letters to the debtors, and the Department of Revenue is the agency listed to receive the dispute request (see [ORS 293.250 \(d\)](#)).

## Reporting

- .121 The OAA Unit will provide monthly reports to each state agency regarding the agency's accounts. The assigning agency must update their records monthly based on the status of the records sent by the OAA Unit.
- .122 An assigning agency must notify the OAA Unit of all payments received from the debtor or any other adjustment to an account balance. For the OAA Unit's records, it is recommended that the notification include the reason for changes to the balance.

## Remittances and Refunds

- .123 Any moneys collected by the OAA Unit are accumulated and remitted monthly, minus a collection fee, to the respective agencies.
- .124 All payments from the OAA Unit to an agency will be made by ACH transfer. No checks will be issued.
- .125 When a collection is made by the OAA Unit, agencies need to refer to [OAM 15.35.00.PR](#) for information on recording payments from the Department of Revenue.
- .126 If a debtor is due a refund for overpayment of the debtor's account, the refund will be issued according to the terms of the service agreement.