

# OREGON ACCOUNTING MANUAL

 STATEWIDE POLICY	<b>NUMBER</b> 35.05.00	<b>SUPERSEDES</b> 35.05.00 dated 03/01/2013
	<b>EFFECTIVE DATE</b> 12/11/2018	<b>PAGE NUMBER</b> Pages 1 of 2
<b>Division</b> <b>Chief Financial Office</b>	<b>REFERENCE/AUTHORITY</b> ORS 291.015 ORS 293.252 ORS 293.590	
<b>Policy Owner</b> Statewide Accounting and Reporting Services		
<b>SUBJECT</b> Accounts Receivable Management- Introduction	<b>APPROVED SIGNATURE</b> <i>George Naughton, Chief Financial Officer</i> Signature on file	

**PURPOSE**

This chapter provides an overview of legal remedies and recommended best practices that state agencies should use to establish, collect, manage, and report accounts receivable.

**APPLICABILITY**

This policy applies to all state agencies included in the state’s annual financial statements, except for those agencies specifically exempted by [OAM 01.05.00](#).

**FORMS/EXHIBITS/INSTRUCTIONS**

None.

**DEFINITIONS**

**Reasonable effort:** The use of available, legal, and cost-effective means that are appropriate to the circumstances of the collection effort. A means of collection may be considered cost-effective when it is reasonable to expect the costs of collection to be less than the debt. If the anticipated recovery would be only marginally in excess of the cost of collection, it may be reasonable to exert little or no effort to collect the debt.

Click here for other [definitions](#).

**EXCLUSIONS AND SPECIAL SITUATIONS**

The guidance referenced in this chapter is not intended to supersede any state or federal statute or regulation.

**POLICY**

101. Agency management must ensure that agency personnel adhere to all required accounts receivable management practices defined within this chapter; including, but not limited to, timely billing, effective collection, and accurate reporting.
102. Agency management are encouraged to implement recommended practices described in this chapter, when appropriate, for effective accounts receivable management.

103. Agency management must ensure that agency personnel follow the specific federal or state law, rule, or regulation applicable to the agency. Agency specific statutes may allow for a wider range of collection authority (e.g. actions and authority related to interest, penalties, late fees, warrants, garnishments, and non-financial sanctions). This chapter covers general authority available to state agencies.
104. The state's policy is to employ **reasonable effort** to collect all accounts receivable due to state agencies and to establish procedures to effect the timely collection of all amounts owed.
105. Generally speaking, there is no statute of limitations on accounts receivable owed to state agencies; however, the legal enforcement remedies available to collect the accounts receivable may expire. State agencies should consult Department of Justice legal counsel for specific questions.