


OREGON ACCOUNTING MANUAL

 STATEWIDE POLICY	NUMBER 35.30.10	SUPERSEDES 35.30.10 dated 04/15/2013
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Division Chief Financial Office	REFERENCE/AUTHORITY ORS 291.015 ORS 293.250 ORS 293.252 ORS 293.590 ORS 646.639	
Policy Owner Statewide Accounting and Reporting Services		
SUBJECT Accounts Receivable Management- Account Activity: Scheduling Collection Activity	APPROVED SIGNATURE <i>George Naughton, Chief Financial Officer</i> Signature on file	

PURPOSE

This policy provides guidance on the scheduling of collection activity.

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

Mandatory collection agency transfer (MCAT) eligibility date: The date an account receivable meets the definition of both liquidated and delinquent (refer to [OAM 35.30.30](#)).

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

None.

POLICY

101. Agency management must ensure that agency personnel employ appropriate practices in the management of accounts receivable.
102. State agencies are required to make all **reasonable efforts** to collect receivables due to it.

103. Agency management must develop clear, written internal policies and procedures for the billing and collection of accounts receivable; including, but not limited to, a collection contact schedule (refer to paragraph 109 for a sample collection contact schedule). The policies and procedures must be specific as to what action the agency will take, when the agency will take action, and how the agency will initiate and document the action.
104. Collection procedures developed under paragraph 103 must include the assignment provisions referenced in **ORS 293.231**. If an agency receives no payment on an account for a period of 90 days after the **MCAT eligibility date**, the agency must assign the account to the Department of Revenue (refer to [OAM 35.40.30](#)), unless the account or the agency has an exemption under [OAM 35.40.10](#).
105. Collection procedures developed under paragraph 103 must include the appeal process that a debtor may use to dispute the debt. The opportunity to dispute is a requirement for an account to become liquidated (refer to [OAM 35.30.30](#)).
106. Agency management must ensure their collection policies and procedures are compliant with state and federal laws.
107. Each agency must maintain accurate documentation of all activity associated with each delinquent account. Documented information is necessary to provide support for writing off the account in the event the account is later determined to be uncollectible (refer to [OAM 35.50.10](#)). If an agency does not have an automated collection tracking database, manual records need to include the following information (refer to the sample format provided on form [OAM 75.35.05.fo](#)):
 - The date contact was made with the debtor
 - The person contacted (debtor and/or other person)
 - Any agreements to pay (amounts and dates)
 - Any other relevant information
108. Agencies must follow-up on broken agreements to pay timely and maintain a record of all follow-up actions as described in paragraph 107.

PROCEDURES

109. **Sample collection contact schedule:** Agencies may use the sample collection contact schedule below as a guideline for developing an efficient schedule of collection efforts:

<u>Account status</u>	<u>Action to be taken</u>
1-30 days past due:	Mail past due letter (refer to OAM 35.30.50). If the debtor does not respond then:
31-60 days past due:	Attempt to make contact (e.g. telephone); if contact made, request payment in full or discuss payment arrangements available. If the debtor does not respond then:
Over 61 days past due:	Refer account to Department of Revenue Other Agency Account Unit (refer to OAM 35.40.30).