


OREGON ACCOUNTING MANUAL

 STATEWIDE POLICY	NUMBER	SUPERSEDES
	EFFECTIVE DATE	PAGE NUMBER
Division Chief Financial Office	REFERENCE/AUTHORITY	
Policy Owner Statewide Accounting and Reporting Services	ORS 291.015 ORS 293.231 ORS 293.250 ORS 293.252 ORS 646.639	
SUBJECT Accounts Receivable Management- Account Assignment: Collection Fees	APPROVED SIGNATURE	
	<i>George Naughton, Chief Financial Officer</i> Signature on file	

PURPOSE

This policy provides information and guidelines for adding the cost of collection when assigning liquidated and delinquent accounts to the Department of Revenue Other Agency Accounts (DOR-OAA) unit for collection in accordance with **ORS 293.231**.

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

Account: As used in this policy, refers to a debt owed to a state agency.

Click here for other [definitions](#).

EXCLUSIONS AND SPECIAL SITUATIONS

None.

POLICY

101. Agency management must ensure that agency personnel employ appropriate practices in the collection and management of accounts receivable.
102. Agencies, unless prohibited by state or federal law or regulation, may add a collection fee to a liquidated and delinquent **account** when it is assigned to DOR-OAA. Agencies are encouraged to charge the fee as a means of reducing agency costs and encouraging debtors to make payment to avoid the additional fee.
103. **ORS 293.231** authorizes state agencies that assign liquidated and delinquent **accounts** to DOR-OAA to add a fee to be paid by the debtor to the amount of the debt; the fee may include amounts attributable to collections conducted by a private collection firm (PCF).

A fee may not be added unless the state agency provided notice to the debtor:

- a. Of the existence of the debt;
- b. That the debt may be assigned to DOR-OAA for collection;
- c. That DOR-OAA may subsequently assign the account to a PCF; and
- d. Of the amount of the fee that may be added to the debt.

104. DOR-OAA will remit collected funds, net of applicable collection fees, to the state agency as described in [OAM 35.40.30](#).

PROCEDURES

105. Refer to [OAM 35.30.50](#) for guidance on providing notification to the debtor using a collection letter.

106. Refer to [OAM 15.35.00](#) for guidance on accounting entries for the collection fees.