


OREGON ACCOUNTING MANUAL

 STATEWIDE POLICY	NUMBER 35.40.30	SUPERSEDES 35.40.30 dated 02/09/2018
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Division Chief Financial Office	REFERENCE/AUTHORITY ORS 183.413 ORS 183.502 ORS 291.015 ORS 293.226 ORS 293.231 ORS 293.233 ORS 293.250 ORS 293.252 ORS 293.590	
Policy Owner Statewide Accounting and Reporting Services		
SUBJECT Accounts Receivable Management- Account Assignments: Department of Revenue Assignments	APPROVED SIGNATURE <i>George Naughton, Chief Financial Officer</i> Signature on file	

PURPOSE

This policy provides state agencies with guidelines for using the Department of Revenue Other Agency Accounts Unit (DOR-OAA) for the collection of liquidated and delinquent debt.

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: a relationship between a state agency and an individual or an entity.

Apportionment: The process of separating a joint tax return refund based on the adjusted gross income of each person.

Automated Clearing House (ACH): An electronic network for financial transactions in the United States.

Delinquent debt: An account receivable for which the state agency did not receive payment by the original due date.

Full collection services: Also referred to as “unrestricted”, services may include: letters, phone calls, garnishments, skip tracing, asset location, and offset.

Liquidated debt: An account receivable for which the debtor was provided notification of the debt amount and an opportunity to dispute the debt. The complete definition of liquidated is available in [OAM 35.30.30](#).

Offset Only: Also referred to as “restricted”, services include intercepting refunds.

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 and collection of accounts receivable.
102. The State's policy is to collect all accounts receivable due to state agencies and to establish procedures to effect the timely collection of all amounts owed.
103. Prior to assignment to DOR-OAA:
 - a. Agencies must notify debtors of the assignment requirements referenced in paragraph 103(b). Refer to [OAM 35.30.50](#) for notification requirements.
 - b. Agencies are must identify accounts subject to assignment in accordance with [OAM 35.30.30](#) and [OAM 35.40.10](#). **Account** assignments shall be made via Revenue Online or in a format approved by DOR-OAA.
 - c. Agencies shall determine whether to assign exempt liquidated and delinquent **accounts** referenced in [OAM 35.40.10](#) to DOR-OAA for **offset only** or for **full collection services**. **Accounts** assigned for offset only must include a social security number (refer to paragraph 103(e)).
 - d. Agencies may not assign a liquidated and delinquent **account** to DOR-OAA for **full collection services** and **offset only** at the same time; full collection services includes offset recovery.
 - e. Agencies that obtain the social security number directly from the debtor may only provide DOR-OAA the debtor's social security number if the debtor was provided notification as outlined in OAR 122-085-0200. A social security number obtained from a third party via skip tracing (refer to [OAM 35.30.70](#)) may be provided to DOR-OAA without notifying the debtor in advance.
104. Agencies shall determine the level of service to be performed prior to assigning **accounts** to DOR-OAA for collections. The level of service performed by DOR-OAA and the fees for providing the service shall be documented in a format determined by DOR-OAA.
105. Agencies shall request DOR-OAA to create agency specific program code(s). Program codes may be used to separate:
 - A. Accounts assigned for **full collection service** from accounts assigned for **offset only**;
 - B. **Full collection service accounts** eligible for the issuance of distraint warrants from those that are not;
 - C. Accounts where the cost of collection is passed to the debtor (refer to [OAM 35.40.20](#)); and
 - D. Accounts by agency program area.
106. Agencies must determine whether an **account** qualifies for DOR-OAA to issue a distraint warrant when assigned for **full collection services**. DOR-OAA may only issue distraint

warrants for **accounts** that were liquidated in accordance with the Administrative Procedures Act (refer to [OAM 35.30.30](#)).

107. At the time an **account** is assigned to DOR-OAA, agencies must provide information regarding the account as required by DOR-OAA.
108. Agencies cannot continue to pursue collection from a debtor after assigning the **account** to DOR-OAA for **full collection services**. (Refer to paragraph 117 to recall accounts if applicable).
109. DOR-OAA has authority to determine the best avenue for collecting assigned **accounts** within the terms of service agreed upon by the assigning agency as referenced in paragraph 104.
110. Agencies must maintain **account** balances. Agencies are responsible for notifying DOR-OAA of any account balance changes (e.g. adjustments or payments received by the agency). Notifications may be made through Revenue Online or in a format approved by DOR-OAA.
111. Agencies shall handle disputed assigned accounts in accordance with the level of service agreed to between the agency and DOR-OAA.
112. DOR-OAA may intercept refunds and apply those amounts to offset liquidated and delinquent **accounts** assigned for **offset only** or **full collection services**. A social security number is required to intercept state tax refunds (refer to paragraph 103(e)).
113. DOR-OAA may report **liquidated** and **delinquent account** balances to the United States Treasury Offset Program State Reciprocal Program to allow for federal non-tax payments to be intercepted and applied towards the liquidated and delinquent **account** balances.
114. DOR-OAA will notify the debtor directly of any offsets; the notification will include procedures for the debtor to request a hearing to dispute the offset or to request an **apportionment**.
115. DOR-OAA will review and respond to all **apportionment** requests. DOR-OAA will charge any resultant change in the refund amount back to the assigning agency. DOR-OAA will send notification of the apportionment request and the outcome to the assigning agency in a format determined by DOR-OAA.
116. **ORS 293.231** requires DOR-OAA to assign all **liquidated** and **delinquent accounts** received under paragraph 103(b) to a private collection firm (PCF) if a payment has not been received within six months from the date the account was assigned to DOR-OAA. DOR-OAA may assign these **accounts** to a PCF prior to six months.
117. Agencies have the authority to and may request DOR-OAA to return an assigned **account** via Revenue Online or in a format approved by DOR-OAA. The agencies shall document the reasons for recalling the account.
118. DOR-OAA will recommend **accounts** for write-off to the assigning agency once all reasonable efforts to collect the **account** have been exhausted.
119. Agencies shall evaluate **accounts** recommended for write-off under paragraph 118 for uncollectibility as outlined in [OAM 35.50.10](#).
120. DOR-OAA shall continue to monitor **accounts** recommended for write-off for subsequent collectibility as referenced in **ORS 293.245**. Refer to [OAM 35.50.10](#) for guidance on subsequently collectible **accounts**.

121. DOR-OAA will provide monthly reports to each agency via Revenue Online or in a format approved by DOR-OAA. The reports will include **account** activity or status for all **accounts** assigned to DOR-OAA and PCFs.
122. Agencies should reconcile agency **account** balances with the DOR-OAA reports regularly. Agencies are responsible for contacting DOR-OAA to resolve any reconciliation issues.
123. Agencies must report all **liquidated** and **delinquent account** assignment activity to the Legislative Fiscal Office as described in [OAM 35.60.10](#).
124. DOR-OAA will remit moneys collected, less the applicable collection fee, to the respective agencies monthly via ACH. This includes moneys collected by PCFs.
125. Agencies shall record moneys remitted by DOR-OAA in accordance with [OAM 15.35.00](#).
126. Debtor overpayments will be resolved in accordance with the agreement between DOR-OAA and the assigning agency.