PURPOSE
This policy defines state agency liquidated and delinquent account reporting requirements.

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
Agency Certification: Write-off, Abated, and Canceled Debt form (75.35.15.FO)

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

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.

EXCLUSIONS AND SPECIAL SITUATIONS
None.

POLICY
101. Agency management must ensure that agency personnel employ appropriate practices in the management of accounts receivable.

102. Agency management must ensure all fiscal year liquidated and delinquent account activity is reported to the Legislative Fiscal Office (LFO) annually by October 1. Agencies with no liquidated and delinquent account activity are required to complete the “Nothing to Report” process as described in the Reporting Manual.
(a) An updated Liquidated and Delinquent Account Reporting Manual will be distributed to agency representatives annually. The Reporting Manual includes instructions for completing and submitting the annual report to LFO.

(b) Agencies shall use the LFO Delinquent Account Reporting System to report fiscal year liquidated and delinquent account activity. Agencies shall use the Reporting Manual to properly report data to LFO.

103. Agency management shall verify that the information reported to LFO referenced in paragraph 102 is accurate and complete prior to submitting the final report.

104. Agency management shall certify to the Department of Administrative Services annually, by October 1, the values of liquidated and delinquent accounts written off, abated, and canceled using the Agency Certification: Write-off, Abated, and Canceled Debt form (75.35.15.FO). Values included on the certification form shall reconcile to the applicable values reported to LFO in paragraph 102.

105. Agencies with fiscal year liquidated and delinquent account ending balances totaling $50 million or more must submit an additional report to the Legislative Assembly committees related to ways and means annually by December 31 that:

(a) Describes major categories of liquidated and delinquent accounts held by the state agency;

(b) Describes circumstances under which the state agency writes off or adjusts liquidated and delinquent amounts or removes an account from liquidated and delinquent status;

(c) Describes actions undertaken by the state agency to reduce the amount of liquidated and delinquent debt owed to it at the end of each fiscal year; and

(d) Sets forth a plan for future actions that will reduce the amount of liquidated and delinquent debt owed to the state agency at the end of each fiscal year and describes any additional resources that are necessary to carry out the plan.