

**DIVISION OF DEBT COLLECTION'S COLLECTION PROCEDURES**

I. Internal Collection Procedures -

A. First 60 Days:

Internal collection procedures should be developed by each agency in accordance with the guidelines of the Department of Accounts. Agencies have 60 days from the account's due date in which to pursue all internal collection procedures.

B. Agency Retention in Excess of 60 Days:

1. Where the agency has other procedures to secure payment (such as refusal to issue diplomas, refusal to issue licenses or the ability to institute legal proceedings), it may elect to retain the file pending the results of such procedures.
2. Where the debtor is paying a debt in periodic payments satisfactory to the agency, the account may be retained until the account is satisfied.

II. Referral of Accounts -

A. First 60 Days:

If within the first 60 days, it is apparent that the collection will not be secured without legal assistance or that compromise of the claim is justified, (i.e., a formal settlement is to be made by Office of the Attorney General, with part of the debt paid and the remainder discharged), the account shall be forwarded immediately to the Division of Debt Collection of the Attorney General's Office.

B. After First 60 Days:

1. Claims under \$3,000 shall be referred to a private collection agency or Division of Debt Collection -

Unless an exception has been granted under Section III, all claims less than \$3,000 shall be referred to a private collection agency or the Division of Debt Collection after the agency has completed procedures under Section I.

a. The services of a collection agency shall be procured in accordance with policies of the Division of Purchases and Supply. Any contract with a collection agency which varies the terms of the form contract approved by the Attorney General's Office should be reviewed and approved by the Division of Debt Collection of the Office of the Attorney General prior to execution.

b. The Division of Debt Collection may accept the account for collection or return it to the agency or institution for referral to a private collection agency.

2. Claims that exceed \$3,000 shall be referred to the Division of Debt Collection -

a. Agency's Determination of Collectibility

1. Collectible –

If the agency believes the claim is collectible, it should be sent to the Office of the Attorney General Division of Debt Collection for collection. Every claim sent to the Division of Debt Collection should include at a minimum the following information:

- (a) complete name of the debtor;
- (b) current or last known address;
- (c) telephone number;
- (d) social security number or federal identification number;
- (e) date the debt was incurred;
- (f) place and type of employment;
- (g) employer's address;
- (h) status of business if the debtor is a corporation, partnership, or sole proprietorship;
- (i) principal amount of the debt;
- (j) interest rate, if any, and the basis therefor;
- (k) date from which interest accrues;
- (l) amount of attorney's fees and/or collection costs, if any, and the basis therefor;
- (m) list of all payments that have been made including setoff debt collection funds;
- (n) original of any contract with the debtor;
- (o) records of all contacts or attempted contacts with the debtor

The agency should use all reasonably available resources to determine this information.

2. Uncollectible –

If the agency believes a claim is uncollectible, then the claim should not be sent to the Office of the Attorney General Division of Debt Collection. The agency should document the reason for this decision and the claim should be reported consistent with the guidelines of the Department of Accounts.

3. Unsure of Collectibility –

If the agency is unsure of the collectibility of a claim, it should investigate the debtor to gather all of the information required in II.B.2.a.1, the debtor's assets, and any other information that might be useful in determining the collectibility of the claim. Based upon the agency's investigation, if the claim appears to be collectible, the agency should forward it along with the results of the investigation to the Office of the Attorney General Division of Debt Collection. If the claim does not appear to be collectible, the agency should follow the procedures set out in II.B.2.a.2.

b. The Division of Debt Collection shall review the forwarded accounts to determine the appropriate collection efforts, if any, and take appropriate action. The Division of Debt Collection may refer accounts under \$15,000 to private collection agencies with whom they have contracts.

III. Exceptions - The Office of the Attorney General may grant exceptions to these procedures. A request for an exception must be made in writing to the Division of Debt Collection of the Office of the Attorney General.

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**New files should be forwarded to Debbie Cook, Claims Specialist Senior, Office of the Attorney General, Division of Debt Collection, 900 East Main Street, Richmond, Virginia 23219. If you have any questions, you may contact Debbie Cook @ (804) 786-3649.**

**Please remember that you are to notify the Division of Debt Collection in writing of all payments that are made directly to your office. We will need the date the payment was made, amount, and type of payment (i.e. made by debtor or tax setoff, etc.).**

**Also, once the file has been assigned to our Office, all calls regarding the file should be directed to our Office. Please do not attempt to communicate or correspond with the debtor unless it is pursuant to the Setoff Debt Collection Act.**

*Revised July 2004*