



Debt Collection and Write-Off Workshop



Department of Financial Services (DFS),
Division of Accounting and Auditing
and
General Revenue Corporation (GRC)


April 3, 2007

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Objectives of the Workshop

By the end of the day you should know how to:

- Distinguish between a collections and write-off process(es)
 - Submit an account for collection action
 - Submit overpayment of payroll accounts to DFS
 - Submit property records for write-off authorization to DFS
 - Submit accounts receivable records for write-off authorization to DFS
 - Look up and review your state agency (agency) collection accounts on the GRC web site
 - Identify possible rule changes to Chapter 69I-21, Florida Administrative Code (F.A.C.)
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Governance

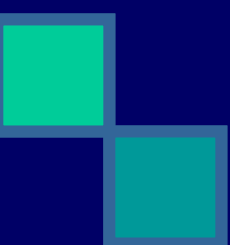



The processing of past due amounts owed to the State is governed by :

- Chapter 17.20, Florida Statutes (F.S.)
 - Chapter 69I-21.003, F.A.C.
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Background

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- Pursuant to Section 17.04, F.S., the Division of Accounting and Auditing is responsible for examining, auditing, adjusting and settling the accounts of anyone who is indebted to the State.
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Background (continued)

- Chapter 691-21.003, F.A.C., has been adopted to enumerate policies and procedures for carrying out collection of delinquent accounts. DFS has established a central debt collection service through the use of a contracted collector, for agencies without statutory authority, to contract with a collector. Accounts to be assigned for collection will be submitted, pursuant to Chapter 691-21.003, F.A.C.
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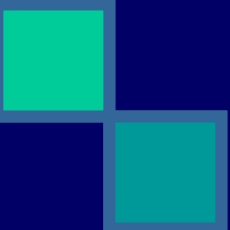



Collections vs. Write-Offs

- Sending an uncollectible account to GRC or writing off an uncollectible account are two separate processes, that require two separate submissions to DFS.
 - An outstanding account can normally be sent to GRC after 6 months, whereas the account is generally outstanding for 12 months in order to receive authorization from DFS for write-off.
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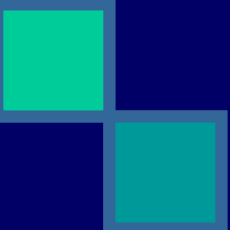



Collections vs. Write-Offs (continued)

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- If collection is made on accounts that have been written off, the agency that requested the initial write-off will still receive the funds, and need to bring the monies on the books in the year received. The agency will debit cash and credit the appropriate revenue account.
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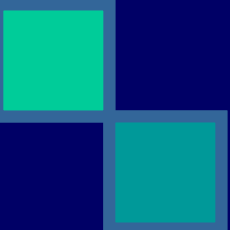



Collections Information

- Once an agency has sent an account thru DFS or on its own to GRC for possible collection, GRC is entitled to a 15.5% fee.
 - This means that if a debtor pays the agency directly rather than GRC, the agency will owe the corresponding collection fee (15.5%) to GRC.
 - An agency can pull accounts back from GRC at any time; however, if the agency collects on the pulled back accounts within 60 days, GRC is still entitled to the fee(s).
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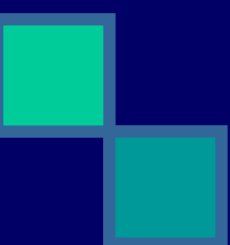



Collections Information (continued)

- If an agency is contacted by a debtor to pay on a debt that has been sent to collection, possible courses of action are:
 - 1) Agency can accept payment and have the collection agent keep the account open for the outstanding fee amount. Note that the collection agent will take the fees out of another collection for the same agency.
 - 2) Agency can reject payment and ask the debtor to pay GRC.
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Submitting accounts to GRC


- Accounts to GRC should be submitted in the required spreadsheet format (see attached spreadsheet template).
 - Accounts can be submitted to GRC through DFS, or directly from the agency level.
 - Accounts should be transferred through a secure file transfer program.
 - Per contract, accounts must be at least \$25.00, and less than 5 years old.
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Submitting Overpayment(s) of Payroll Accounts to DFS/GRC

- The following section has been updated in the Payroll Preparation Manual:
 - Volume V, Section 6 Refund for Overpayment of Salary, located at http://www.fldfs.com/aadir/bosp/BOSP_MANUAL.pdf.
 - The most important change is agencies must now send their letters requesting collection action along with copies of the salary overpayment calculation, and copies of all correspondence mailed to the employee, to the Bureau of State Payrolls (BOSP) and not to the Bureau of Accounting (BOA). BOSP will be responsible for forwarding the documentation to the BOA if the employee is no longer working in the state system.
 - Once BOA receives the documentation from BOSP, it is processed and then forwarded to GRC for collection.




Requesting Write-Off of Property Records

- The agency should request to write-off property records, pursuant to the provisions of Section 17.04, F.S., and Chapter 69I-21.002, F.A.C. Please e-mail or send this request to:
 - susan.mentillo@fldfs.com -or-
 - Department of Financial Services
Bureau of Accounting
200 East Gaines Street
Tallahassee, FL 32399-0354
 - Lost property item(s) must have been missing for two physical inventories.
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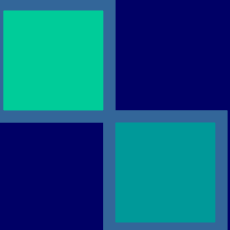



Requesting Write-Off of Property Records (continued)

- Property items that have been stolen must be accompanied with a police report, and are not subject to the missing for two physical inventories rule.
 - The request should include the name of the agency, property number (if assigned), acquisition cost and the net book value (acquisition cost less accumulated depreciation) of the lost, misplaced or stolen property.
 - Description of why the item(s) are lost, misplaced or stolen, and actions taken to ensure future safeguarding of property should also be included in the request.
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Requesting Write-Off of Property Records (continued)


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- Once the request has been received by DFS, the agency contact will receive an e-mail confirming that a written response will be sent within 30 business days, provided all required documentation has been included.
 - Please provide a summary spreadsheet for requests that contain multiple spreadsheets. In addition, please indicate the total amount of the write-off for all spreadsheets, within your request letter. The agency will receive a letter and a copy of the summary spreadsheet from DFS, to indicate the total amount of the write-off approval.
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Requesting Write-Off of Accounts Receivables

- The agency should request to write-off accounts receivables, pursuant to the provisions of Section 17.04, F.S., and Chapter 69I-21.003, F.A.C. Please e-mail or send this request to:
 - susan.mentillo@fldfs.com -or-
 - Department of Financial Services
Bureau of Accounting
200 East Gaines Street
Tallahassee, FL 32399-0354
- The agency must ensure due diligence has been taken to collect on the outstanding accounts.
- Generally, the accounts need to be outstanding for more than one year.

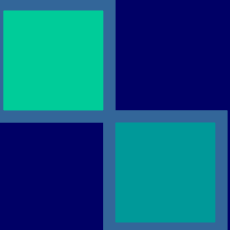



Requesting Write-Off of Accounts Receivables (continued)

- The request should include the name of the debtor, the amount of the debt and date the debt became outstanding.
 - Once the request has been received by DFS, the agency contact will receive an e-mail confirming that a written response will be sent within 30 business days, provided all required documentation has been included.
 - Please provide a summary spreadsheet for requests that contain multiple spreadsheets. In addition, please indicate the total amount of the write-off for all spreadsheets, within your request letter. The agency will receive a letter and a copy of the summary spreadsheet from DFS, to indicate the total amount of the write-off approval.
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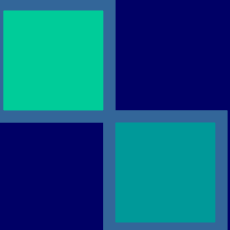



General Revenue Corporation

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- As of November 7, 2006, GRC became the State of Florida's Contracted vendor.
 - GRC will explain debt collection, how it pertains to you and walk you through their website.
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Review of Possible Changes to the Florida Administrative Code

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- Proposed changes to Chapter 69I-21, F.A.C.
 - Assessing a possible blanket approval for write-offs less than \$25.00.
 - Overview of other possible changes (see attached copy of Chapter 69I-21 F.A.C.).
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DFS Contact Information

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