

**Debt Collections  
&  
Write-Offs**

*Presented By:  
Department of Financial Services  
Bureau of Accounting  
Finance, Leasing & Federal Reporting Section*

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**Overview**

*Governance  
Background  
Procedures  
Due Diligence  
Collection Vendor  
Submitting Claims  
Overpayments  
Requesting Write-offs  
Collections vs. Write-offs*

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**Debt Collections**

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## **Governance**

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

*Section 17.04, Florida Statutes*

*Section 17.20, Florida Statutes*

*Chapter 69I-21, Florida Administrative Code*

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## **Background**

*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*

*Pursuant to Section 17.20, F.S., the Chief Financial Officer of the State may assign the collection of any claim to a collection agent*

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## **Procedures**

*Procedures for processing claims for collections are done pursuant to Rule 69I-21.003 FAC*

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## **Due Diligence**

*Agencies shall exercise due diligence in attempting to collect on debts before being referred to DFS or collection vendor, including but not limited to:*

- *Letters sent to debtor*
- *Phone calls to debtor*
- *Emails to debtor*

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## **General Revenue Corporation (GRC)**

*As of November 2, 2006, GRC became the State of Florida's Contracted vendor*

### *GRC Presentation*

*DFS has established a central debt collection service through the use of a contracted collector (GRC), for agencies without statutory authority, to contract with a collector*

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## **Collections Information**

- *GRC is entitled to a 15.5% fee on all accounts in which they collect on*
- *If a debtor pays the agency directly rather than GRC, the agency still owes 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 those accounts within 60 days, GRC is still entitled to the 15.5% fee(s)*

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## Example

Sue Ellen owes Department of Health \$200.00 for services rendered on 8/1/2008. Department of Health attempted to collect from Sue Ellen numerous of times and failed. Department of Health sends the account to DFS to send to GRC on 2/15/2009. GRC sends notices and calls Sue Ellen for payment. On 5/15/2009, Sue Ellen appeared at DOH ready to pay the \$200.00 owed.

1. If DOH decides to collect payment from Sue Ellen on 5/15/2009, how much should DOH ask for and receive?

- A. \$200.00
- B. \$231.00
- C. \$500.00

Answer: B \$231.00

\*\*\$200.00 + (\$200.00\*15.5%)= \$231.00

\*\*\*\$200.00 will be deposit at DOH and \$31.00 would be remitted to GRC for the collection fee

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## Submitting Claims

Claims to GRC should be submitted in the required form

Accounts to Collections Form

Agencies can submit claims directly to GRC or through DFS

Instructions for GRC Website Login & Account Placement

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## Submitting Claims

Per contract, claims submitted to GRC (directly or indirectly) must be:

- At least \$25.00 and
- Less than five years old

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## Submitting Overpayment of Salaries

Submission of salary overpayments should be submitted to Bureau of State Payrolls (BOSP)

Payroll Preparation Manual  
Volume V

BOSP validates information and forwards to us for processing

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## Submitting Overpayment of Salary

Agencies identify salary overpayment, sends accounts to Bureau of State Payroll



Bureau of State Payroll reviews the request and then sends to Bureau of Accounting for processing



GRC attempts collections



Bureau of Accounting reviews and sends the accounts to General Revenue Corporation for collections

14

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## Collections vs. Write-Offs

Two separate processes

- Claims should be sent to GRC for collection within 6 months past the due date
- Once the debt is 12 months old and has been with GRC for at least 6 months, a request should be sent to DFS to write-off the claims

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## **GRC Contact Information**

*Scott Christensen – Client Services Manager*  
*(800) 234-1472 Ext. 7347*  
*(513) 605-7347*  
[schristensen@generalrevenue.com](mailto:schristensen@generalrevenue.com)

*Donna Gray – Client Services Representative II*  
*(800) 234-1472 Ext. 7339*  
*(513) 605-7339*  
[dgray@generalrevenue.com](mailto:dgray@generalrevenue.com)

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## **DFS Contact Information**

*Molly Merry – Accounting Chief*  
*(850) 413-3097*  
[Molly.Merry@myfloridacfo.com](mailto:Molly.Merry@myfloridacfo.com)

*Mike Rutherford – Financial Administrator*  
*(850) 413-5594*  
[Mike.Rutherford@myfloridacfo.com](mailto:Mike.Rutherford@myfloridacfo.com)

*Dara Stanfill – Professional Accountant Supervisor*  
*(850) 413-5669*  
[Dara.Stanfill@myfloridacfo.com](mailto:Dara.Stanfill@myfloridacfo.com)

*All requests – [claimsforcollections@myfloridacfo.com](mailto:claimsforcollections@myfloridacfo.com)*

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## **Questions**



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## **Accounts Receivables Write-Offs**

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## **Governance**

*The process to audit and adjust accounts of those indebted to the State is governed by:*

*Section 17.04, Florida Statutes  
Chapter 69I-21, Florida Administrative Code*

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## **Background**

*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*

*Procedures for writing off accounts receivables are done pursuant Section 17.04, F.S. and FAC Rule 69I-21.003*

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## **Due Diligence**

*Agencies shall exercise due diligence in attempting to collect on debts before requesting to write-off, including but not limited to:*

*Letters sent to debtor  
Phone calls to debtor  
Emails to debtor*

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## **Requesting Write-Off of Accounts Receivables**

*Requests should be sent on agency letterhead to:  
[claimsforcollections@myfloridacfo.com](mailto:claimsforcollections@myfloridacfo.com)*

*or*

*Molly Merry  
Chief of Accounting  
Department of Financial Services  
200 East Gaines Street  
Tallahassee, FL 32399-0354*

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## **Requesting Write-Off of Accounts Receivables**

*Each request should include:*

*The total amount and number of accounts  
Reason why requesting to be written off (i.e. debt over a year and at GRC for 6+ months)  
Evidence of due diligence to collect on the debts (i.e. copies of certified letters, etc.)*

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**Requesting Write-Off of  
Accounts Receivables**

Requests should be submitted on:  
AR Write-Off Form

Claims generally should be older than 12  
months and at GRC for at least 6 months  
before requesting write-off

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**Collections vs. Write-Offs**

Two separate processes  
Claims should be sent to GRC for collection  
within 6 months past the due date  
Once the debt is 12 months old and has  
been with GRC for at least 6 months, a  
request should be sent to DFS to write-off  
the claims

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**Property Write-Offs**

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## **Governance**

*The process to audit and adjust records of property of the State is governed by:*

*Section 17.04, Florida Statutes  
Chapter 69I-21, Florida Administrative Code*

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## **Background**

*Pursuant to Section 17.04, F.S., the Division of Accounting and Auditing is responsible for examining, auditing and adjusting State property records*

*Procedures for writing off property are done pursuant Section 17.04, F.S. and FAC Rule 69I-21.002*

*Agencies should maintain property in accordance with Chapter 273, F.S.*

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## **Requesting Write-Off of Property**

*Requests should be sent on agency letterhead to:  
[claimsforcollections@myfloridacfo.com](mailto:claimsforcollections@myfloridacfo.com)*

*or*

*Molly Merry  
Chief of Accounting  
Department of Financial Services  
200 East Gaines Street  
Tallahassee, FL 32399-0354*

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### **Requesting Write-Off of Property**

*Each request should include:*

*The total acquisition costs and carrying value of all property items*

*Reason why requesting to be written off (i.e. lost, stolen, unaccounted for, etc.)*

*Actions taken to recover item and procedural changes implemented to prevent future losses*

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### **Requesting Write-Off of Property**

*A summary of property requesting to be written off should also be submitted on:*

*Property Write-Off Form*

*Property may be requested to be written-off if lost, stolen, or unaccounted for at least two inventory cycles*

*Stolen property must be accompanied by a police report*

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### **Requesting Write-Off of Property**

*Each write-off request shall include:*

- Property ID number and description*
- Name of agency*
- Acquisition date, date property was first discovered missing or stolen, and, if missing, the dates of any physical inventories taken subsequent thereto;*
- Acquisition cost, accumulated depreciation and carrying value*

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## **Requesting Write-Off of Property**

Each write-off request shall include:

- A brief description of:
  - The reason why it is necessary to charge off the property (lost, stolen, or otherwise unaccounted for)
  - Any action taken to recover the item
  - Any procedural changes implemented to prevent future losses
- A copy of an investigative report from the proper law enforcement, if stolen

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## **Requesting Write-Off of Property**

Each write-off request shall include:

- FLAIR Screen Prints of Property -or-

*A statement in the formal request indicating that proper review has been performed to ensure the accuracy of the amounts and that supporting information will be available upon request*

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## **Questions**



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## **DFS Contact Information**

*Molly Merry – Accounting Chief  
(850) 413-3097*

*[Molly.Merry@myfloridacfo.com](mailto:Molly.Merry@myfloridacfo.com)*

*Mike Rutherford – Financial Administrator  
(850) 413-5594*

*[Mike.Rutherford@myfloridacfo.com](mailto:Mike.Rutherford@myfloridacfo.com)*

*Dara Stanfill – Professional Accountant Supervisor  
(850) 413-5669*

*[Dara.Stanfill@myfloridacfo.com](mailto:Dara.Stanfill@myfloridacfo.com)*

*All requests – [claimsforcollections@myfloridacfo.com](mailto:claimsforcollections@myfloridacfo.com)*

37

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# **BREAK**

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