

For: State and County Offices

Reviewing Receivables Over 60 Calendar Days Old and Transferring to Claim Status

Approved by: Deputy Administrator, Management



1 Overview

**A
Background**

The Debt Collection Improvement Act of 1996 requires Federal debts older than 180 calendar days to be referred to the Department of the Treasury (Treasury) for debt collection action, including the Treasury Offset Program. As part of the 2001 Financial Statement Audit, OIG found over 8,000 receivables totaling about \$18.6 million older than 60 calendar days that had not been timely transferred to claim status for subsequent referral to Treasury. Many receivables are over 180 calendar days old and are subject to immediate referral to Treasury upon conversion to claim status.

Field Offices are to follow instructions in 67-FI and 58-FI, which provide guidance as to when to convert a receivable to claim status, and that outstanding receivables older than 60 calendar days are to be transferred to claim status.

**B
Purpose**

This notice provides instructions for:

- reviewing receivables over 60 calendar days
- transferring eligible debt to the Automated Claims System (ACS).

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Disposal Date	Distribution
August 1, 2002	State Offices; State Offices relay to County Offices

Notice FI-2518

1 Overview (Continued)

B

Purpose (Continued)

The initial review will include all receivables, **except** receivables:

- established from 1995 Production Adjustment overpayments for producers currently participating in the Production Flexibility Program who are eligible to receive final 2002 payments
 - with program code "CANCELPAY".
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C

Contact

If there are questions about this notice, contact either of the following:

- Robin Crouthamel, KCFO, Debt Management Division (DMD) at 816-926-1613
 - Gary Don Reynolds, KCFO, DMD at 816-926-1397.
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2 Action

A

County Office Action

County Offices shall:

- generate and review the Receivables Outstanding After 60 Days Report
- set aside "CANCELPAY" receivables and 1995 Production Adjustment overpayment receivables for producers currently participating in the Production Flexibility Program who are eligible to receive final 2002 payments

Note: KCFO will address these receivables in a separate notice.

- determine the validity of **all** receivables by ensuring the existence of supporting documents, including signed contracts
- ensure that all valid receivables have received due process

Note: If needed, generate and send the first demand letter.

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Notice FI-2518

2 Action (Continued)

A

County Office Action (Continued)

- unless a receivable is excluded by either of the exceptions in subparagraph 1 B, and if the first demand letter was sent at least 30 calendar days prior, transfer the receivable to claims
- if the receivable is in appeal, bankruptcy, or litigation, transfer to claims and record the referral in ACS, as applicable. See 64-FI.

Note: Complete this initial review within 30 calendar days. KCFO will review the status of all receivables after 30 calendar days.

B

Follow Up

Instructions for the following receivables will be given in future notices:

- “CANCELPAY” receivables
 - remaining 1995 Production Adjustment overpayment receivables
 - receivables without valid basis.
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