



SECTION: Financial Management		POLICY #: 402
TITLE: Collection of Accounts Receivable		PROCEDURE #:
		ORDER #: 96-9
DEPT: Fiscal Services		DIVISION:
ADOPTED: 1/86	REVIEWED:	REVISED: 1/96

1.0 Purpose

This policy and procedure sets forth the responsibility and methods to be used in collecting amounts owed Marion County, via the central billing procedures of Marion County Fiscal Services.

2.0 General Policy

It is the responsibility of each department to attempt to collect amounts owed to the department. Fiscal Services will send the original invoice, delinquent notices monthly, and will also supply each department with a monthly report of aged receivables. NSF checks written to Marion County are to be considered bad debts. NSF checks may be submitted directly to Legal Counsel if the department so chooses.

3.0 Policy Guidelines/Procedures

Collection efforts may include, but are not necessarily limited to:

- a. Telephone calls to debtors.

The caller must immediately identify themselves as a Marion County employee and state the purpose of the call. The objective of a telephone call to a debtor is to obtain verbal commitment to pay. Any commitments made should be specific as to date and amount. Dishonored commitments should result in immediate vigorous renewed collection efforts. The caller should keep detailed notes of conversations with debtors.

- b. Letter to debtors.

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You may indicate that Marion County will not extend further credit, that the debt will be turned over to a collection agency, or that the matter will be submitted to Marion County Legal Counsel for resolution.

- c. Written agreement of payment schedule with debtor.

This must be clear, and specific as to dates and amounts and consequences of dishonoring agreement.

- d. Suspension of debtor's credit with Marion County.

See Item 3.b above.

- e. Refer to Collection Agency

Prior to completion of the 90-day delinquency, the department will notify Fiscal Services in writing to turn the debt over to a collection agency.

- f. Obtaining Legal Counsel's help in collecting or filing suit to do so.

After collection efforts have failed, Fiscal or Departments should consult with Legal Counsel concerning the collection of bad debts, and the long term effects of decisions to pursue or not to pursue an individual debtor or category of debtors.

- g. Writing off uncollectible debts

- Debts turned over to a collection agency will be written off based on documentation submitted through Item e above.

- Bad debts resulting from NSF checks will be written off only upon direction of Legal Counsel.

Adopted: 1/86

Revised: 1/96

Note: Reference memorandum from Marion County Legal Counsel, Bruce T. Armstrong dated May 20, 1997, RE: New Collection Agency Contract.