

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 promptly paying a debt in periodic payments to the agency, the account may be retained until the account is satisfied. In the event the debtor is delinquent (i) by 60 days in paying a periodic payment or (ii) for such other period of time approved by the Division, the account should be referred as discussed below.

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 in the Department of General Services. Any contract with a collection agency which varies the

terms of the form contract approved by the Department of General Services must meet state procurement requirements.

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. Every claim sent to the Division of Debt Collection should include a completed Division of Debt Collection Referral Form and a complete copy of the agency's file, including original contracts.

b. The Division of Debt Collection shall review the forwarded accounts to determine the appropriate collection efforts, if any, and then take appropriate action.

C. 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, and the Division of Debt Collection will respond to the request in writing.

Files regarding medical claims should be referred to Jasma Adkins, Legal Assistant, and all other claims to Debbie Cook, Senior Claims Specialist. The claims should be sent to Office of the Attorney General, Division of Debt Collection, P.O. Box 610, Richmond, Virginia 23218-0610. Jasma Adkins can be reached at (804) 786-2421, and Debbie Cook can be reached at (804) 786-3649.

The agency must notify the Division of Debt Collection in writing of all post-referral payments that are made directly to its office. Notice must include the date the payment was made, amount of payment, and source of payment (i.e. made by debtor, setoff debt, insurance company, etc.).

Once the file has been referred to the Division of Debt Collection, all calls, communication, and correspondence regarding the file should be directed to the Division of Debt Collection, except for communications regarding the Setoff Debt Collection Act.

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