



BETTY T. YEE
California State Controller
Division of Accounting and Reporting

July 1, 2015

State Department Accounts Receivable Management Representation and Certification

Department Name: _____ Organization Code(s): _____

Instructions:

Submit by Oct. 31st:

*State Controller's Office (SCO)
Division of Accounting & Reporting
Bureau of Cash Management
Attn: Discharge from Accountability
P. O. Box 942850
Sacramento, CA 94250-5872*

SCO Contact information:

Phone: (916) 322-7451

Fax: (916) 327-7637

Email: DARDischarge@sco.ca.gov

As the department director, I am responsible for adopting sound accounting and collection processes to ensure that revenues or money owing to the state for any reason are collected to the fullest extent possible. I am also responsible for ensuring that the above named state department conforms to all legal and regulatory requirements and adheres to the accounting and collection procedures in the State Administrative Manual, including section 8776, which describes acceptable accounts receivable collection methods.

This letter affirmatively represents that the state department listed above:

1. Records all amounts owed to the department in the department's accounting system within 30 days of the date that the account receivable arose.
2. If the debtor's address is not known, performs skip tracing to acquire the debtor's last known address.
3. Notifies the debtor in writing of the amount due, not later than 30 days after the date that the account receivable arose.
4. Sends a minimum of 3 billing letters at 30-day intervals thereafter and when necessary; unless different intervals are appropriate and can be reasonably justified.

5. The state department participates in the Interagency Intercept Collections program (IICP) and submits delinquent individual debtors to the Franchise Tax Board. (See SAM sections 8790).

6. When a debt remains unpaid after 180 days from the date that the account receivable arose, a comprehensive cost/benefit analysis of further collection activities is prepared. Each of the following actions are considered and initiated if deemed appropriate:
 - a. Offset procedures - Coordinate with other departments such as the Franchise Tax Board, Board of Equalization, and Employment Development Department to intercept and collect amounts owed.
 - b. Withhold services (i.e. licensing) until receiving full payment of the amounts due if action does not violate the law.
 - c. Refer debts to an outside collection agency.
 - d. Pursue legal action to obtain a judgment.
 - e. Lien and/or levy when legally appropriate.
 - f. Consult with the Franchise Tax Board or any other State department that has successfully established an effective accounts receivable collection system to develop methods to improve the department's collection rate.
 - g. Pursue all other cost beneficial actions appropriate under the circumstances, i.e. filing a creditor's claim in bankruptcy, filing a claim against a decedent's estate, etc. (See SAM Sections 8776 and 8790 for further information).

7. Debtor amounts are submitted for discharge from accountability approval only when the department certifies that:
 - a. All reasonable collection efforts have not resulted in full payment, there is no state credit against which the debt may be offset, and either "b" or "c" below is applicable.
 - b. The debt is uncollectible, for instance, the debt was discharged in a bankruptcy proceeding.
 - c. The cost/benefit analysis indicates that the amount of the debt does not justify the cost of further collection actions.

Sincerely,

DEPARTMENT DIRECTOR SIGNATURE

DATE

PRINTED NAME

PRINTED TITLE

DEPARTMENT NAME

ORGANIZATION CODE