

Effective July 1, 2022

CHIEF FINANCIAL OFFICER MEMORANDUM NO. 14

SUBJECT: CLAIMS FOR COLLECTIONS

Section (s.) 17.20, Florida Statutes (F.S.), requires each agency to exercise due diligence in securing payment for all accounts receivable and other claims due to the state. When determining the level of due diligence to exercise, consideration should be given to 1) the agency's independent statutory authority to collect delinquent accounts, 2) the type, age, and amount of delinquent accounts, and 3) whether or not the actions taken by the agency are reasonable and cost effective. Furthermore, agencies should document and maintain policies and procedures which fully explain the process of exercising due diligence.

Each agency is required to assign accounts to a collection agency contracted by the Department of Financial Services no later than 120 days after the date on which the accounts are due and payable to the state. This requirement does not apply to agencies that have independent statutory authority to collect delinquent accounts.

If an agency determines that accounts are inappropriate for assignment to a collection agency, or if the agency determines that a different period of time for assignment is more appropriate, the agency must request an exemption from the Chief Financial Officer (CFO) in writing, unless a qualified exception applies.

The exemption request for not assigning accounts to a collection agency must fully explain the nature of the delinquent accounts and the reasons why such accounts should be precluded from being assigned to a collection agency. The reason(s) must indicate that a demonstrative harm to the state will occur as a result of assignment to a collection agency. Any request for a different period of time for assignment must include an appropriate recommended period. The request should be addressed to:

Bureau Chief
Bureau of Financial Reporting
Division of Accounting and Auditing
Department of Financial Services
200 East Gaines Street
Tallahassee, Florida 32399-0364

Alternatively, exemption requests may be e-mailed to FinancialReporting@myfloridacfo.com.

An agency does not need to request an exemption from the CFO if any of the following applies:

1. Debtor has filed for bankruptcy.
Note: State Agencies should cease all collection efforts and ensure that accounts are closed and returned from the Debt Collection Agent in a timely manner. If, at the end of the Bankruptcy period the debt **is not** discharged, the account can be placed back into collections. Verify where the account is in the Statute of Limitations period as the time for all legal action may have expired.
2. Debtor is deceased.
Note: State Agencies should cease all collection efforts and ensure that accounts are closed and returned from the Debt Collection Agent in a timely manner.
3. The account has reached its respective statute of limitations.
Note: Once the Statute of Limitations has expired, the State Agency can no longer pursue legal action against the Debtor. The account can remain with a Debt Collection Agent and written off the State Agency books.
4. Debtor is actively making payments according to a payment plan agreed upon and acceptable to the agency.
Note: When the Debtor is out of compliance with their payment plan. Due diligence must be completed in accordance with s.17.20, F.S., and placed with a Debt Collection Agent on or before day 120 of delinquency.
5. Debtor is a department, division, agency, office, commission, board, or entity within the legislative, executive, or judicial branch of the State of Florida.
Note: Although an exemption is not required, agencies are still required to exercise due diligence in securing payments on these accounts, and any disputes between the state agency and other entity should be resolved in a timely manner.
6. Debtor is a local government entity as defined in s. 218.31(1), (5),F.S.
Note: Although an exemption is not required, agencies are still required to exercise due diligence in securing payments on these accounts, and any disputes between the state agency and other entity should be resolved in a timely manner.

Agencies should maintain documentation to support these qualified exemptions.

Please contact the Bureau of Financial Reporting at FinancialReporting@myfloridacfo.com or (850) 413-5511 if you have any questions