

Office of the County
Attorney

ORANGE COUNTY
P.O. BOX 8181
200 S. CAMERON STREET
HILLSBOROUGH, NC 27278



DELINQUENT ACCOUNTS COLLECTION POLICY
FOR DEBTS LESS THAN \$4,000.00

SECTION 1

PURPOSE AND APPLICABILITY:

This administrative policy is intended to serve as a guideline by which delinquent accounts receivable of less than \$4,000.00 may be collected by Orange County Governmental Departments including: Animal Services, Health, Library Services, and Solid Waste Management.

SECTION 2

ACCOUNT SETUP:

To aid in using the collection guidelines presented in this policy, departments should obtain, at a minimum, the following information on prospective customers/debtors, wherever practical:

Full name, and any previous name(s) if applicable,

A current address,

Telephone numbers for home and place of employment,

Federal Employer Identification Number (if a business),

Driver License Number, and

A credit bureau report may be required depending on the amount of the potential receivable and the guidelines of the department.

SECTION 3

COLLECTION PROCEDURE:

After the initial invoice/bill has been sent or delivered to the responsible party and if no payment is received, collection proceedings should commence according to the following schedule:

30 days* past due

Mail (first class only) past due notice.

60 days* past due

Forward to County Attorney's Office.

75 days* past due

County Attorney's Office sends notice of delinquency and intent to apply the debtor's tax refund against the debt. This notice also informs the debtor of the opportunity to request a hearing within 30 days. If payment received, forward to department.

105 days* past due

If no response or request for hearing, County Attorney's Office coordinates with Financial Services to send the account to debt setoff.

Information to be included in past due notice:

- Identify the person responsible for payment.
- Identify the original billing, due dates, original amount, and the current amount due.
- Notify responsible party that payment is past due, and that the delinquency may be reported to a credit bureau.
- Notify responsible party that the County may seek a judgment and lien against the responsible party's property if payment is not made promptly.
- Notify responsible party that the County may apply the debtor's tax refund against the debt.
- Notify responsible party that prompt payment can prevent further collection action.

On the last day of each month, please submit a report to the County Attorney's Office on the department's collections efforts.

**SECTION 4
APPLICABLE ACCOUNTS:**

This Policy applies to all newly created accounts as of November 1, 2011. Please note that existing past due accounts must have the collection process initiated as if the account were a new account. For example, if the account is two years past due, a past due letter must be sent before the account is referred to the County Attorney. The County Attorney then must issue the notice letter and proceed according to the Policy as stated in Section 3 above.

**SECTION 5
DEBT SETOFF PROCEDURE:**

The County Attorney's Office will comply with the procedures outlined in North Carolina General Statutes, Chapter 105A by sending the required notice to the debtor, informing him or her of the right to contest the matter, and the intent of the County to set off the debt against the individual's tax return.

If a hearing is requested, the debtor will be informed of the time, date, and place for the hearing. The Financial Services Director will hear the debtor's challenge, and the Budget Management Analyst I will serve as the pre-hearing contact person. Subsequent to the hearing, a written decision will be sent to the debtor (via first class and certified mail return receipt requested) as to whether the debt is owed and the amount owed if any. Further, the decision will inform the debtor of the opportunity to file a petition for a contested case if he or she disagrees with the outcome of the hearing.

If no hearing is requested within 30 days after the required notice is mailed, the outstanding debt will be sent for setoff against the debtor's tax refund.