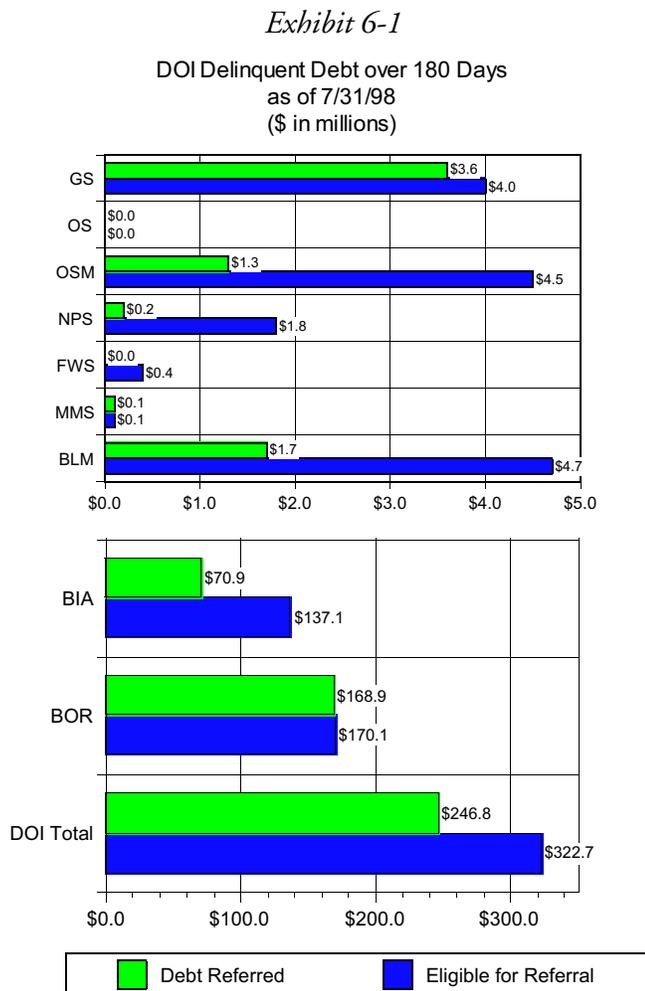


## CHAPTER 6. IMPROVING MANAGEMENT OF RECEIVABLES

The Department continues to make significant progress in its collection and receivable management activities. Over 70 percent of the Department's receivables originate from the enforcement of laws and regulations and audit findings. The remaining 30 percent originates from loans (direct and guaranteed) and the sale of goods and services. Consequently, traditional receivable management procedures and safeguards, such as credit worthiness checks, are often not applicable.

The Department has been working closely with the U.S. Treasury to refer its delinquent receivable over 180 days past due to the Financial Management Service for cross-servicing and/or offset in accordance with the Debt Collection Improvement Act of 1996. All bureaus and offices are currently in the process of referring eligible delinquent receivables to Treasury for collection. A monthly reporting system has been established by the Department to monitor performance.

*Exhibit 6-1* summarizes Department and bureau-level performance as of July 31, 1998:



**Planned Actions for 1999**

- Continue aggressive collection efforts to meet stated goals.
- Ensure that bureaus refer at least 90 percent of all eligible delinquent receivables over 180 days old to the Department of the Treasury for collection via cross-servicing and/or offset.

**Planned Actions for 2000 and Beyond**

- Continue aggressive collection efforts to meet stated goals.
- Ensure that bureaus refer 100 percent of all eligible delinquent receivables over 180 days old to the Department of the Treasury for collection via cross-servicing and/or offset.

**Evaluating User Fee and Cost Recovery Activities**

The Department operates a substantial user charge program. Annually, the Department collects fees of approximately \$500 million from approximately 100 cost recovery activities, and approximately \$5 billion from other fee activities including royalties, rents, and bonuses related to minerals, timber, and other uses of Federal lands. Since FY 1993, cost recovery has increased by \$150 million. Based on biennial reviews, the Department maintains a data base of user charge activities for approximately 200 activities. The data base includes descriptions of the activities, estimated annual collections, pricing structure, legal authority, contact personnel, and other pertinent information.

The Department conducted the third biennial review of all user charge activities in accordance with the CFO Act in FY 1998. It should be noted that the National Park Service, Fish and Wildlife Service, and Bureau of Land Management under the Omnibus Consolidated Rescissions and Appropriations Act of 1996 were authorized to develop new and expanded fee collection sites as part of a three-year recreation fee demonstration program. The purpose of the demonstration program is to explore the feasibility of collecting additional user fees to offset the costs to administer recreation on Federal public lands. The new fees will be used primarily to address the repair and maintenance backlogs in the participating parks and sites.

**Planned Actions for 1999, 2000 and Beyond**

- Review user charge activities and recommend action, as appropriate, to recover relevant costs as appropriate. The Department will continue collaborative efforts both inter- and intra-departmental regarding implementation of the Managerial Cost Accounting Standard, SFFAS No.4.
- Update the Departmental Manual to reflect the latest changes to OMB Circular A-25 and implementation of SFFAS No.4.