



United States Department of the Interior

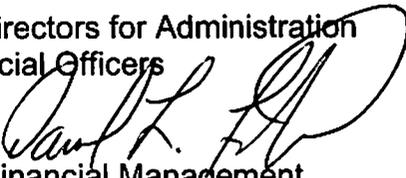
OFFICE OF THE SECRETARY
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FINANCIAL MANAGEMENT MEMORANDA 2009-091 (Vol. IX.B.)

To: Bureau Assistant Directors for Administration
Bureau Chief Financial Officers

From: Daniel L. Fletcher 
Director, Office of Financial Management

Subject: Credit and Debt Management Handbook

The Credit and Debt Management Handbook, previously issued in 2003, has been reviewed and updated. A PDF version of the Handbook is available on the Hyperion X drive and will be placed on the PFM website at a later date.

Please contact Lynnell Green (Lynnell_Green@ios.doi.gov) on 202-208-3127 or Michael Anthony (Michael_Anthony@ios.doi.gov) on 202-208-6824, if you have any questions or if you would like to discuss issues related to this Handbook,

Attachment (Table of Contents)

cc: Financial Statement Guidance Team
Finance Officers Partnership

Cancelled FMMs: n/a

Additional FMMs on the Subject: n/a



Chapter

I. Overview

- 1.1 What is the Purpose and Scope of the Credit and Debt Management CDMH?
- 1.2 What Type of Debts/Claims are not Covered in the CDMH?
- 1.3 What Other Documentation does the CDMH Reference?
- 1.4 Who Will Modify and Interpret the CDMH?
- 1.5 What is the Effective Date of the CDMH?
- 1.6 Where Can I Direct Questions and Comments?

2. Responsibilities and Central Agency Policy

- 2.1 What are the Responsibilities for Credit and Debt Management?
- 2.2 What are the Central Agency Policies for Credit and Debt Management?

3. Delinquency Followup

- 3.1 What is the Purpose of this Chapter?
- 3.2 What are key Debt Collection Regulations?
- 3.3 What are Delinquencies?
- 3.4 What are the Due Process Procedures?
- 3.5 What are the Tools for Collecting Delinquent Debt?
 - 3.5.1 What is the Collection Strategy/Action Plan?
 - 3.5.2 What are the Collection Tools for Debts less than 180 Days?
 - 3.5.2.1 Written Demands.
 - 3.5.2.2 Internal Offset
 - 3.5.2.3 Personal Interview with Debtor
 - 3.5.2.4 Use and Disclosure of Mailing Addresses
 - 3.5.2.5 Contact with Debtor's Employing Agency
 - 3.5.2.6 Collections in Installments
 - 3.5.2.7 Suspension or Revocation of License or Eligibility
 - 3.5.2.8 Liquidation of Collateral
 - 3.5.2.9 Compromise
 - 3.5.2.10 Administrative Wage Garnishment
 - 3.5.2.11 Litigation
 - 3.5.3 What are Bureau Workout Groups/Follow-up?
- 3.6 What Procedures Does Treasury Follow to Collect Delinquent Debts?
- 3.7 What are the Requirements for Credit Bureau Reporting?
- 3.8 What is the Credit Alert Interactive Voice Response System (CAIVRS)?
- 3.9 How do Bureaus/Offices Calculate Interest, Penalty, Administrative Costs and Allowance for Doubtful Accounts?
- 3.10 What Documentation is Required for Administrative Collection Action?
- 3.11 What Reports are Required?
 - Exhibit 3-1: Demand Letter Example
 - Exhibit 3-2: Certification of Financial Position
 - Exhibit 3-3: Authorization Agreement For Preauthorized Payments U.S. Department Of Interior – Privacy Act Statement



Exhibit 3-4: Format for Promissory Note Containing Agreement For Judgment
Exhibit 3-5: Installment Agreement Worksheet Example

4. Direct and Guaranteed Loans

- 4.1 What is the Definition of a Direct or Guaranteed Loan?
- 4.2 What is the Preferred Form of Loan Assistance?
- 4.3 What are the Financial Standards for Federal Credit Programs?
- 4.4 What is the Bureau/Office Responsibility?
- 4.5 What are the Loan Officer Duties?
- 4.6 What are the OMB and Treasury Policies for Credit Extension?
- 4.7 What Are the Guidelines for Account Servicing and Loan Collections?
- 4.8 What Documentation is Required in the Loan File?
- 4.9 Who is Responsible for Changes to Loan Agreements?
- 4.10 How Are Defaulted Loans Managed?
- 4.11 What Management Review Is Required?
- 4.12 What Accounting and Reporting Is Required?

Exhibit 4-1: Applicant Certification Federal Collection Policies For Consumer Debt

Exhibit 4-2: Applicant Certification Federal Collection Policies For Commercial Applicants

5. Write-Off and Close-Out of Debt

- 5.1 What Does this Chapter Include?
- 5.2 How Do Bureaus/Offices Determine the Cost-Effectiveness of Collection Procedures?
- 5.3 What are the Dollar Thresholds for Suspending or Terminating Collection Action?
- 5.4 When is Collection Activity Suspended?
- 5.5 When is Collection Activity Terminated?
- 5.6 When Are Claims Referred?
- 5.7 What is Write-Off and Closeout?

6. Debt Collection Plan and Annual Budget Submission

- 6.1 What is the Background for the Credit Management and Debt Collection Plan and Annual Budget Submission?
- 6.2 What Does the Credit Management and Debt Collection Plan Include?
- 6.3 What Other Information Is Required?
- 6.4 Where Are the Plan(s) Submitted?

Glossary of Credit and Debt Terms