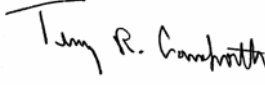


<b>NEVADA DEPARTMENT OF WILDLIFE  POLICY AND PROCEDURE</b>	<b>Pages: 9 (plus 5 forms)</b> <b>Effective: May 31, 2006</b> <b>Approved:</b> 
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**TITLE: Debt Collections and Write-Offs**

**REFERENCE/AUTHORITY: NRS 353C, NRS 501.3855, NAC 353C, State Controller Accounting Policies and Procedures, Department of Personnel Agency Procedure 01.08.03**

**AFFECTED EMPLOYEES: Operations Bureau, Law Enforcement, Conservation Education**

**PURPOSE:** To ensure compliance with all State laws and regulations for the collection of debts and write-offs for those debts that are uncollectible.

**POLICY:** It is the policy of the Department to actively pursue the collection of all debts owed to the Department and exhaust its resources before turning the debt over for collection or to request the debt be removed from the books of account when deemed uncollectible.

**DEFINITIONS:**

**Debt:** Is any fee, fine or other obligation that is owed to the Department and the payment is past due.

**Debt Collection Program:** Authorizes the State Controller to “if requested by any state agency, act as the collection agent for that agency.” The Intrastate Interlocal Contract between Public Agencies must be in place with the Controller’s Office before the debt may be submitted for collection.

**Debt Offset Program:** Authorizes the State Controller to “offset any amount due an agency from a debtor against any amount owing to that debtor by an agency.”

**Fine:** Means a requirement to pay a sum of money that is imposed on a person for an act of wrongdoing. Also referred to as civil penalties.

**Past due:** A debt is past due if the debt has not been remitted and paid to the Department as required by law, or as agreed upon by the debtor and the Department, as appropriate.

## **PROCEDURE:**

### **Sources of Debt**

1. A debt can originate from a person paying for a privilege, service or contract payment by a check or draft which is not honored by the bank.
2. The failure of an agent contracted by the Department for the collection and remittance of State fees for the sale of privileges to submit in a timely manner.
3. The failure of a person owing a fine or penalty assessed by the court to submit the fine within 90 days after the date set forth in the order.
4. The failure of a person or business to pay for contractual services already rendered by the Department.
5. An overpayment of a payroll check is made to an employee by the Department or by Central Payroll.
6. A payment is made to a vendor and subsequently found to be invalid (overpayment).

### **Debt Notification**

1. If the debt is from a payment received in the form of a check or draft which is not honored by the bank, the State Treasurer's Office returns the unpaid instruments to the Business Management Accountant Technician III (Pos. No. 0121).
  - a. The Accountant Technician III will notify the following program staff:
    - (1) License Office Program Officer I (Pos. No. 0158) for boats if the check is for a boat title or registration.
    - (2) License Office Program Officer I (Pos. No. 0159) for license agents if the check is for a license document sold by a Department office or for an agent payment.
    - (3) License Office Program Officer I (Pos. No. 0152) for Hunts and Special Licenses and Permits (SLAP) if the check is for a game tag or SLAP.
    - (4) Law Enforcement Administrative Assistant III (Pos. No. 0409) if the check is for a master or sub-guide license, or civil penalty.

- (5) Marketing Coordinator (Pos. No. 0510) if the check is for advertisements in the Department's printed or electronic materials.
  - (6) Accounting Assistant III (Pos. No. 0125) if the payroll check is an overpayment to an employee.
  - (7) Accounting Assistant III (Pos. No. 0127) if a payment is sent to a vendor and is subsequently found to be invalid (overpayment).
- b. When the program staff receives a notice from the Business Management Accountant Technician III that a person who holds a privilege or service issued by the Department is in default, the staff shall send a written notice within 7 week days to the person advising him that:
- (1) His privilege is subject to suspension, cancellation or refusal to renew unless the debt is satisfied.
  - (2) In addition to the fees for the privilege, he is subject to a fee of \$25 for each check or draft returned to the Department because of insufficient money or credit with the drawee, the account was closed, or because the person stopped payment on the check or draft.
  - (3) The notice must be sent through the United States Postal Service (USPS) Return Receipt Requested to the last known address of the debtor and given a minimum period 14 days up to 30 days for remittance of the debt.
- c. If the person satisfies the debt by the deadline in the notice, the program staff shall forward the amount to the Business Management Accountant Technician III for deposit.
- d. If the person fails to satisfy the debt by the deadline, a 60-day delinquent notice (final request for payment) must be sent through the USPS Return Receipt Requested to the last known address of the debtor. The notice must advise the person of the debt owed and that the privilege(s) and/or service is suspended until the debt has been satisfied or expired and all other privileges or services will be refused until the debt has been satisfied. If the account is going to be referred to a collection agency or the Controller's Office for collection, the final request must inform the debtor of the facts.

- e. If after 60 days the person fails to satisfy the debt, the person's status in the files of the Department will be updated to suspend unexpired privileges and refuse privileges or services until satisfied. The status will remain until such time as the debt is satisfied, even if the debt is removed from the books of the Department. The files may include but are not limited to records of the application hunt, license, boat, and hunter education files. In the case of a vendor debt (such as an advertiser), the records may be in the form of a manual list which will be updated.
  - f. If after the deadline, the person satisfies the debt, including all penalties, interest, costs, and fees, if any; or enters into an agreement for the payment of the debt pursuant to NRS 353C.130; or obtains a discharge in bankruptcy of the debt, the originating program manager will reinstate any unexpired privileges and update the person's status to allow future privileges or services. The staff will forward the amount to the Business Management Accountant Technician III for deposit, if applicable. If the debt had been turned over to the Controller's Office for collection, the Business Management Accountant Technician III must inform the Controller's Office that the debt has been satisfied.
2. If the debt is from an agent contracted by the Department for the collection and remittance of State fees for the sale of privileges, the License Agent Program Officer I will follow the bureau's progressive disciplinary procedures for license agents and exhaust all attempts to collect the debt from an agent.
- a. When collection efforts have been exhausted, the License Agent Program Officer I will submit a claim against the surety bond to indemnify any loss due to the improper performance of the agent's duties.
  - b. If the surety bond does not fully cover the debt of the license agent and the debt meets the minimum threshold, the License Agent Program Officer I will notify the Chief of Operations in writing with the circumstances of the debt and the amount.
  - c. If the debt meets the threshold, the Chief of Operations may approve referral of the debt to the Controller's Office for collection procedures.
3. If the debt is from a person owing a fine (civil penalties) assessed by the court, the Law Enforcement Administrative Assistant III (Position 0409) will track the fines and the remitted amounts until the debt has been satisfied:

- a. Following court disposition of a wildlife citation, the issuing warden completes the back of the citation by filling in date arraigned, finding(s), and penalty(ies), and civil penalty if any imposed, and submits the information to the Administrative Assistant III (Pos. No. 0409).
- b. The Administrative Assistant III (Pos. No. 0409) enters the citation into the civil penalty accounts receivable spreadsheet. The front and back of the citation is stamped and dated as received and/or posted to the accounts receivable and forwarded to Dispatch for data entry.
  - (1) Offenders with civil penalties are entered into the spreadsheet including the quarter (1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, or 4<sup>th</sup>), name, address, city, state, zip, phone number, Social Security Number, citation number, date civil penalty was assessed, court, and amount assessed.
  - (2) During the month, copies of deposits for civil penalties are sent to the Law Enforcement Administrative Assistant III from the regions and from Business Management. These documents are balanced by date, individual, and amount of monies received. Once balanced, they are put into the spreadsheet as paid with the date of deposit, cash advice receipt (if any), amount paid, deposit receipt number, and balance if on a payment plan.
    - (a) If a payment for a fine is received before the citation is turned in, the Law Enforcement Administrative Assistant III will attempt to track the payment back to the offender by contacting Dispatch, the area warden(s), or the courts. Otherwise, the Law Enforcement Administrative Assistant III will record the name as it appears on the cash advice receipt, the amount collected or deposited, the date of the cash advice receipt, and the cash advice receipt number. The payment will be matched to the offender as soon as possible and tracked according to the procedures.
  - (4) At the end of each quarter, the Business Management Administrative Service Officer I forwards a quarterly report by month on civil penalties receipts run from the State Data Warehouse of Nevada (DAWN) system, Budget 4458, GL 4152 to the Law Enforcement Administrative Assistant III.
  - (5) At the end of each quarter, the Law Enforcement Administrative Assistant III balances total payments posted for the quarter to the DAWN totals and prepares the quarterly Accounts Receivable Aging Report (incorporated

by reference). Control totals are verified to the accounts receivable balance. The balanced report is forwarded to the Business Management Administrative Services Officer I who reviews and forwards the report to the Controller with other accounts receivables aging reports.

- c. If the individual owing a court assessed fine fails to satisfy the fine within 60 days, the Law Enforcement Administrative Assistant III will send a final notice through the USPS Return Receipt Requested to the last known address of the individual to request payment within 30 days. The notice must advise the individual of the amount of the debt, the deadline for remittance, and the failure to remit may result in the loss of privileges or the refusal to issue or renew privileges.
  - d. If the individual owing a court assessed fine fails to satisfy the fine within the 90 days after the date set forth in the order as stipulated in NRS 501.3855, the debt may be turned over to the Controller's Office for collections procedures, or written off, depending on the write-off threshold and statute of limitations (see Threshold section).
4. If the debt is created by an overpayment of payroll to an employee by the Department, the Payroll Clerk (Accounting Assistant III Pos. No. 0125) notifies Central Payroll in writing. If the debt is created by Central Payroll, the Department's Payroll Clerk is notified of the debt in writing.
- a. Upon validation of the debt, the Payroll Clerk prepares, on agency letterhead, Form Letter PAYOP-01-Notification of Payroll Overpayment. The form is incorporated by reference or can be downloaded at [www.state.nv.us/personnel/forms.html](http://www.state.nv.us/personnel/forms.html). The form provides for simple means of responding to the overpayment letter. The letter is sent, with accompanying documentation, through USPS Return Receipt Request to the address to which the employee's checks are sent. The employee has 10 days to respond.
    - (1) If the employee responds and indicates that they cannot make repayment in full, the Payroll Clerk may negotiate a payment plan, providing the debt will be repaid in full within a reasonable amount of time.
    - (2) If the Payroll Clerk cannot negotiate a reasonable payment plan with the employee, the employee may request a hardship hearing with the State Controller's Office, notifying the Department and Central Payroll of the request.

- (3) If the employee does not respond, the Payroll Clerk prepares a Referral of Payroll Overpayment for Collection memorandum (PAYOP-3, [www.state.nv.us/personnel/forms.html](http://www.state.nv.us/personnel/forms.html), incorporated by reference). The form, with supporting documentation, is sent to Central Payroll who will forward to the State Controller.
      - (4) If the employee acknowledges the bill, is an active employee, and agrees to pay in full or by payment plan, the bill is repaid through a Special Pay Adjustment prepared by the Payroll Clerk, crediting salary expense.
      - (5) If the employee acknowledges the bill, is an inactive employee, and agrees to pay in full or by payment plan, the bill is repaid by check or money order, and deposited to Miscellaneous Income.
    - b. The Payroll Clerk will keep an aging record of all receivables, and ensure that payments are made as scheduled.
    - c. Should a debtor default on payment, the Payroll Clerk prepares a default on Agreement to Repay Payroll Overpayment letter (PAYOP-2, [www.state.nv.us/personnel/forms.html](http://www.state.nv.us/personnel/forms.html), incorporated by reference) and sends USPS Return Receipt Requested. If the debtor fails to remit within 10 days from receipt of the letter, the Payroll Clerk prepares a Referral of Payroll Overpayment for Collection memorandum (PAYOP-3, [www.state.nv.us/personnel/forms.html](http://www.state.nv.us/personnel/forms.html)) and submits to Central Payroll. Central Payroll will forward the form to the State Controller upon review.
5. The debt is created by an accounts payable overpayment to a vendor.
  - a. Business Management Section staff will notify the vendor in writing, using USPS Return Receipt Requested requesting refund or credit, as soon as overpayment is discovered. The letter shall give the vendor 10 days to respond. The Accountant Technician III will ensure that the refund due is recorded on the accounts receivable records.
  - b. If the vendor has not responded within 10 days, Business Management Section staff will contact the vendor by phone.
  - c. When the vendor responds, and if repayment arrangement cannot be made, Business Management Section staff will fill out the Controller's Debt Offset Program form (<http://controller.nv.gov/>) and choose the Receivables link) and submit to the State Controller. The Controller will attempt to

collect the debt by offsetting the debt against any other debts owed the vendor by the State.

- d. If the original vendor payment was a one-time payment by the State, and/or if the vendor does not satisfy the debt within 60 days, the debt may be referred to the State Controller for collection pursuant to the debt collection contract, or if deemed appropriate, submitted for write-off.

### **State Controller Authorized to Act as Collection Agent**

If the debt meets the threshold for collection, the program manager through the bureau chief must submit a request in writing to the Chief of Operations with the collection efforts and outcomes and recommend that the debt be turned over to the Controller's Office for collection. The Chief of Operations will notify the Accountant Technician III of the approved submission so it can be noted on the accounts receivable.

1. If the Department deems a debt eligible for collection, the Department must enter into an interlocal agreement with the Controller to act as the collection agent for the Department (NRS 353C.195).
2. If the Department has exhausted all attempts to collect a debt, the debt meets the minimum threshold amount and it is older than 90 days, the debt may be turned over to the Controller's Office for collection procedures.
3. The statute of limitation for pursuing a debt is 4 years.

### **Threshold for Amount of Debt to be Submitted for Collection**

1. The Department will attempt to collect on all debts owed to the Department; however, the minimum threshold amount sent to the Controller for collection is \$50.
2. The Department must use the Debt Offset Program or Debt Collection Program forms provided at the Controller's website:

[http://www.controller.nv.gov/Delinquent\\_Receivables.html](http://www.controller.nv.gov/Delinquent_Receivables.html)

### **Write-offs or Write-downs**

1. Any debt should be valued at net realizable value, that is, the amount that will be collected on the outstanding receivables.
2. Debts greater than 90 days old can be considered for write-down or write-off unless otherwise specified in specific statute.

3. Once the Department determines that is impossible or impractical to collect on an outstanding debt, the Department may request the Board of Examiners to designate the debt as a bad debt. Typically, write-downs and write-offs should occur when collection efforts have been exhausted, amounts are considered uncollectible, or are lower than the minimum threshold established by the Department.
4. Write-downs and write-offs will be approved by the Chief of Operations (Pos. No. 0110) who will prepare a written memorandum which summarizes the need to write-off or write-down the bad debt and include a detailed spreadsheet describing the debt owed by agency, debtor, date the debt was incurred, debt amount, the nature of the debt owed and the reason for the write-off (collection efforts). The Department must submit the request to the State Board of Examiners via their budget analyst in the Budget Division and at the same time provide an electronic copy of their request to the State Controller's Office via e-mail to [dcform@controller.state.nv.us](mailto:dcform@controller.state.nv.us) so the State Controller is aware of the request.
5. All write-downs and write-offs must be approved by the Board of Examiners, unless otherwise authorized by a specific statute. Once the State Board of Examiners renders a decision on the request, the Clerk of the Board of Examiners, via the Budget Division, will notify the State Controller of the Board's decision and the State Controller will direct the removal or write-down of the debt from the books if authorized by the State Board of Examiners.
6. Payment on accounts previously written down or written off shall be recorded as revenue in the year of receipt.
7. The Business Management Administrative Services Office I will adjust the amount of a deposit made with the State Treasurer to the credit of the Wildlife Account for any cash shortage resulting from the collection of fees.

**NOTIFICATION OF PAYROLL OVERPAYMENT  
(PAYOP-01)  
Page 1 of 2**

[Click **here** and type date]

[Click **here** and type recipient's name and address]

Dear [Click **here** and type recipient's name]:

Re: Payroll Overpayment

The purpose of this memorandum is to inform you of a payroll overpayment made to you in the amount of \$ [Click **here** and type amount due]. An explanation of the overpayment is on the second page of this memorandum and supporting documentation is attached.

The third page of this document is an Acknowledgement of Overpayment/Agreement to Repay form. This form must be completed, signed, dated and returned to the address shown above within ten (10) working days from the receipt of this letter. Should you fail to return the Acknowledgement of Overpayment/Agreement to Repay form, this overpayment will be referred to the State Controller for further collection efforts which could include the following:

- The State Controller may withhold from the compensation of an employee of the State any amount due the State for the overpayment of the salary of the employee. (NRS 227.150 2(c))
- The State Controller may refer the debt to a private debt collector and collection fees will be added to the debt.

Your prompt attention to this matter is requested. Should you have any questions, my telephone number is [Click **here** and type telephone number].

Sincerely,

[Click **here** and type sender's name]

[Click **here** and type sender's title]

cc: Central Payroll, Overpayment Desk

**NOTIFICATION OF PAYROLL OVERPAYMENT  
(PAYOP-01)  
Page 2 of 2**

**EXPLANATION OF OVERPAYMENT**

**ACKNOWLEDGEMENT OF OVERPAYMENT/AGREEMENT TO REPAY**

I, \_\_\_\_\_, acknowledge that I have been overpaid in the amount of  
\$ \_\_\_\_\_

**ACTIVE EMPLOYEE**

- I agree to repay this amount in full by payroll deduction from the payroll check dated \_\_\_\_\_
- I agree to repay this amount by payroll deduction in equal installments of \$ \_\_\_\_\_  
Begin payroll deduction from the payroll check dated \_\_\_\_\_

**INACTIVE EMPLOYEE**

- I agree to remit this amount in full by \_\_\_\_\_
- I agree to remit this amount in equal installments of \$ \_\_\_\_\_ per month.

NOTE: Amounts remitted must be in form of check or money order payable to the State of Nevada.

\_\_\_\_\_  
*Employee Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Telephone Number*

**DEFAULT ON AGREEMENT TO REPAY OVERPAYMENT  
(PAYOP-2)**

[Click **here** and type date]

[Click **here** and type recipient's name and address]

Dear [Click **here** and type recipient's name]:

Re: Default on Agreement to Repay Payroll Overpayment

Our records indicate that you have defaulted on an agreement to repay a payroll overpayment. If this is an oversight, remit the amount past due of \$ [Click **here** and type amount due] to the address shown above within (10) working days from the receipt of this letter. Should you fail to remit the amount due, this overpayment will be referred to the State Controller for further collection efforts which could include the following:

- The State Controller may withhold from the compensation of an employee of the State any amount due the State for the overpayment of the salary of the employee. (NRS 227.150, 2(c))
- The State Controller may refer the debt to a private debt collector and collection fees will be added to the debt.

Your prompt attention to this matter is requested. Should you have any questions, my telephone number is [Click **here** and type telephone number].

Sincerely,

[Click **here** and type sender's name]

[Click **here** and type sender's title]

cc: Central Payroll, Overpayment Desk

**REFERRAL OF PAYROLL OVERPAYMENT FOR COLLECTION  
(PAYOP-3)**

**MEMORANDUM**

TO: State Controller  
THROUGH: Central Payroll – Overpayment Desk  
FROM: [Click here and type Director/Administrator's name]  
[Click here and type department name]  
[Click here and type division name]  
DATE: [Click here and type date]  
SUBJECT: Referral of Payroll Overpayment for Collection

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A payroll overpayment for the following active employee is being referred to your office for collection.

Name: [Click here and type name]

SSN: [Click here and type Soc. Sec. No.]

Last Known Address: [Click here and type address]  
[Click here and continue address]  
[address continuation (if needed)]

Last Known Telephone: [Click here and type telephone number]

Term Date (if applicable): [Click here and type term date]

Home Org #: [Click here and type home Org #]

A notification of payroll overpayment or default on agreement to repay a payroll overpayment was sent to the employee on [Click here and type date] and no response from the employee has been received to date. Attached is a copy of the notification.

We request the State Controller proceed as follows:

- Provide written approval and instruction to Central Payroll to initiate payroll deduction as this payroll overpayment is due from an active employee.
- Proceed with further collection action, which could include the State Controller referring the debt to a private debt collector.

If all options for collection of the payroll overpayment are deemed impossible or impractical to collect, the agency recommends the State Controller request the State Board of Examiners to designate the payroll overpayment as a bad debt. The agency understands that a bad debt remains a legal and binding obligation owed by the debtor to the State of Nevada.

Thank you for your assistance. Should you have any questions, please contact [Click here and type payclerk's name] at [Click here and type telephone #].

[Click here and type your initials]

Attachment  
PAYOP-3

