

Thurston County Fire Protection District 8

DISTRICT POLICY-PROCEDURE MANUAL



POLICY TITLE:	Debt Collection
POLICY NUMBER:	1-08-PO-00
REVISION:	0
DATE ISSUED/REVISED:	DRAFT
BOARD APPROVAL SIGNATURE:	

A-Policy Statement: the Board of Fire Commissioners (“Board”) shall establish a policy for handling the collection of debt owed to the District. The Board will determine if or how an uncollectable debt is managed.

B-Procedure: the following process shall be followed:

- 1) The District Secretary shall maintain a record of accounts receivable and review the record on no less than a monthly basis. The District Secretary will report any accounts receivable beyond the sixty-day collection period to the Board.
- 2) If the District Secretary discovers any unpaid debts after thirty days of the initial billing, a second billing shall be sent and marked as “second billing”.
- 3) A third notification be sent in another thirty days if still not collected. In compliance with RCW 19.16.500, the third notification shall state that the debt, marked as “third billing”, may be assigned to the commercial collection agency if it is not paid.
- 4) In the event it is determined that the charge cannot be collected through the above billing procedures, the Board shall either refer the charge to a commercial collection agency or, if appropriate, to write the charge off as an uncollectible debt.

Reference: RCW 19.16.500

(1)(a) Agencies, departments, taxing districts, political subdivisions of the state, counties, and cities may retain, by written contract, collection agencies licensed under this chapter for the purpose of collecting public debts owed by any person, including any restitution that is being collected on behalf of a crime victim.

(b) Any governmental entity as described in (a) of this subsection using a collection agency may add a reasonable fee, payable by the debtor, to the outstanding debt for the collection agency fee incurred or to be incurred. The amount to be paid for collection services shall be left to the agreement of the governmental entity and its collection agency or agencies, but a contingent fee of up to fifty percent of the first one hundred thousand dollars of the unpaid debt per account and up to thirty-five percent of the unpaid debt over one hundred thousand dollars per account is reasonable, and a minimum fee of the full amount of the debt up to one hundred dollars per account is reasonable. Any fee agreement entered into by a governmental entity is presumptively reasonable.

(2) No debt may be assigned to a collection agency unless (a) there has been an attempt to advise the debtor (i) of the existence of the debt and (ii) that the debt may be assigned to a collection agency for collection if the debt is not paid, and (b) at least thirty days have elapsed from the time notice was attempted.

(3) Collection agencies assigned debts under this section shall have only those remedies and powers which would be available to them as assignees of private creditors.

(4) For purposes of this section, the term debt shall include fines and other debts, including the fee allowed under subsection (1)(b) of this section.