

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240

June 20, 2001

In Reply Refer To:
1375 (800) P

EMS TRANSMISSION 06/20/2001
Instruction Memorandum No. 2001-160
Expires: 09/30/2002

To: All Field Offices

From: Assistant Director, Business and Fiscal Resources

Subject: Change in Policy and Procedures for Referring of Debt or Writing Off Debt

Program Area: Debt Management

Purpose: This Instruction Memorandum (IM) sets forth new policy and procedures for referring debt to the Department of the Treasury and for writing off debt so that the Bureau of Land Management (BLM) can comply with Office of Management and Budget (OMB) Circular A-129, "Policies for Federal Credit Programs and Non-Tax Receivables." It also changes the delegation of authority tables that relate to debt writeoffs.

Policy/Action: To meet the requirements of OMB Circular A-129, amended November 2000, the BLM National Business Center (NBC) will be responsible for referring delinquent debt to the Department of the Treasury and for writing off delinquent debt. All delinquent debt over 2 years old is now required to be written off. The only exceptions are bills that a BLM State Director does not want written off. Under OMB Circular A-129, such bills will require written justification through the Department of the Treasury to OMB.

It is important to note that after a bill has been referred to the Department of the Treasury, the State/Field Office cannot accept payment on that bill directly from the debtor. The bill becomes the Department of the Treasury's, and the Department of the Treasury will add appropriate fees that the debtor must pay to settle the debt.

If the Department of the Treasury collects the full amount owed, they will deduct their fee and send the remainder to BLM, thereby paying the debt in full. If the Department of the Treasury collects only a portion of the debt, they will deduct the full amount of their fee and send any remaining funds to BLM. For example, if BLM is owed \$1,000 and the Department of the Treasury adds their usual 18 percent fee (\$180), then the total amount owed would be \$1,180. If the debtor pays \$500, then the Department of the Treasury would deduct their \$180 fee and send BLM a total of \$320. If the Department of the Treasury cannot collect on the debt, it will be returned to the BLM to be written off.

Please note that State/Field Offices can once again initiate collection actions after a bill has been written off as long as it is cost effective. These bills will be tracked by the BLM NBC for 6 months before being officially closed out. If the collection action is successful within this 6-month timeframe, the BLM NBC will reverse the writeoff and post the collection to the bill.

Attached are the procedures for referring debt to the Department of the Treasury (Attachment 1) and the procedures for writing off debt (Attachment 2).

Timeframe: This IM is effective upon receipt.

Budget Impact: There will be little, if any, budget impact.

Background: The revisions to OMB Circular A-129, amended November 2000, state that all BLM debt over 2 years old must be written off and clarify the requirements for referring debt to the Department of the Treasury. These requirements have driven the change in BLM's delegation of responsibility for writing off debt and referring debt to the Department of the Treasury. The BLM NBC will now be assuming responsibility for referring delinquent debt to the Department of the Treasury and writing off delinquent debt.

Manual/Handbook Sections Affected: BLM Manual Section 1203, Delegation of Authority; Subject Function Code 9230.6 of April 6, 1998; and The Collections Reference Guide of April 1998.

Coordination: This IM was coordinated with BLM NBC finance personnel, BLM Field Office accounting personnel, and the BLM Washington Office Budget Group, WO-880.

Contact: If you have any questions or concerns about this IM, please contact either Lynda Whipple, Accountant, Collections and Billings Branch, at 303-236-3533 or Dorothy

Butler, Branch Chief, Collections and Billings Branch, at 303-236-6332.

Signed by:

Tom Walker

Acting Assistant Director

Business and Fiscal Resources

Authenticated by:

Barbara J. Brown

Policy & Records Group, WO-560

2 Attachments

[1 - Procedures for Referring Debt to the Department of the Treasury \(1 p\)](#)

[2 - Procedures for Writing Off Debt \(1 p\)](#)