

## 815 CMR: COMPTROLLER'S DIVISION

### 815 CMR 9.00: DEBT COLLECTION AND INTERCEPT

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#### 9.01: Purpose, Application and Authority

(1) Purpose. 815 CMR 9.00 governs the Collection of overdue Accounts Receivable and Debts owed to Billing Entities as provided by law. 815 CMR 9.00 provides Billing Entities with access to services that promote the efficiency and effectiveness of collecting Debts owed to Billing Entities, thereby enhancing the Collection of Revenues. 815 CMR 9.00 authorizes the Office of the Comptroller to procure and manage contingent fee contracts for Debt Collection services and enables the Office of the Comptroller to Intercept payments due to Debtors to offset their outstanding Debts.

(2) Application. 815 CMR 9.00 applies to all State Department Billing Entities seeking to collect Debts, including State agencies, subdivisions, offices, boards, commissions, committees, councils, boards, institutions of higher education, the judicial and legislative branches and constitutional offices. 815 CMR 9.00 also applies to any other State public entities seeking to use the Debt Collection and Intercept services under 815 CMR 9.00 and that are authorized by law to submit Debt to the Office of the Comptroller for Intercept, including a municipality, city, town, agency of a city or town of the State, a housing authority of the State, or a State authority as defined by M.G.L. c. 29.

815 CMR 9.00 also applies to any non-State Billing Entity, including federal public Billing Entities or another non-Massachusetts state public Billing Entity, seeking to use the Intercept process under 815 CMR 9.00 and that are authorized by law to submit Debt to the Office of the Comptroller for Intercept.

The Office of the Comptroller will interpret 815 CMR 9.00 and take any actions necessary to carry out the purposes of 815 CMR 9.00 including waivers or amendments to 815 CMR 9.00, issuing additional policies, procedures and forms to be used by Billing Entities, and utilizing state-of-the-art skiptracing and identity validation software and services. Absent separate statutory authority, no State Department Billing Entity may Intercept payments owed Debtors, or enter into a contract for Debt Collection Services except as provided in 815 CMR 9.00. Any State Department Billing Entity authorized to Intercept or use Debt Collection services under separate statutory authority may use the Intercept and Debt Collection Agency Statewide Contract provided under 815 CMR 9.00. State Department Billing Entities shall pursue intercept and Debt Collection services under 815 CMR 9.00 for the discharge of Debts and Accounts Receivable as prescribed by the Comptroller. Non-state Department Billing Entities shall comply with the requirements of 815 CMR 9.00 as identified for use of the Intercept process.

(3) Authority. 815 CMR 9.00 is promulgated under the authority of M.G.L. c. 29, § 29D, M.G.L. c. 7A, §§ 3, 8, 15, 18, and 19 and M.G.L. c. 62D, and as authorized under any other federal law or law of another state governing Debt Collection and Intercept.

9.02: Definitions

Accounts Receivable. Public Revenues earned but not yet collected for legislatively or legally authorized Charges for services performed, goods provided, or events, such as judgments and recoveries, fines, fees for licenses and permits, charges for services, investment income, operating leases or any other obligations owed to and being pursued for Collection by a Billing Entity. Accounts Receivable includes, but is not limited to loans, notes and amounts due from employees, other State Departments, cities, towns and political subdivisions of the State, Debts of the Federal government, and Debts of another state. An Accounts Receivable that is unpaid by the due date of its initial billing shall be considered a "Debt". The Collection of certain Revenues with separate Debt Collection authority, including taxes, lottery operations, State investments, federal grants and reimbursements, Medicaid vendor overpayments are not included under 815 CMR 9.00 unless the Billing Entity chooses to use the Statewide Debt Collection Agency Contract or Intercept to collect these Debts.

Accounts Receivable System. A billing and Accounts Receivable System or application used to issue invoices and collect Accounts Receivables on behalf of a Billing Entity. State Department Billing Entities must use the State Accounting System, known as the Massachusetts Management and Reporting System (MMARS) or an alternative billing and Accounts Receivables System or application approved by the Comptroller.

Attorney General (AGO). The Office of the Attorney General of the State, established by M.G.L. c. 12, § 1.

Billing Entity. An entity authorized to collect Debts including State departments, subdivisions, offices, boards, commissions, committees, councils, boards, institutions of Higher Education, the Judicial and Legislative Branches and Constitutional Offices and other public entities as authorized by law including municipalities, a city or town, an agency of a city or town of the State, a housing authority of the State, or a State authority as defined by M.G.L. c. 29, a Federal Billing Entity or Non-Massachusetts state Billing Entity. The Comptroller will prescribe the methods for State Department Billing Entities to bill and collect Debts under 815 CMR 9.00 and the requirements for any Billing Entity to use the Intercept process. The Comptroller may enter into Reciprocal Cooperative Agreements with the federal government and other states to collect and receive Debts and to remit Intercepted State payments to offset the federal government and other state's Debts. Billing Entities shall be responsible for validating that a Debt and Debtor information are accurate prior to submission of any Debt for Intercept under 815 CMR 9.00.

Certify. A certification by an authorized signatory of the Billing Entity that the name of the Debtor, the tax identification number, address, the amount of the Debt and the existence of a Debt have been validated as accurate, that the debt has been diligently pursued, that notices of intercept have been provided and that the Debt is eligible for Intercept under 815 CMR 9.00. The Comptroller shall designate the mechanism for how a Billing Entity will certify that a Debt and Debtor information is accurate and legally enforceable in order to be collected through Intercept.

Collection. An action taken by a Billing Entity to collect a legislatively or legally authorized account receivable. Collection actions include, but are not limited to, billing and Dunning Notices, Intercept, Collection by a Statewide Debt Collection Agency, and litigation.

Contingent Percentage Fee. A payment under which a Statewide Debt Collection Agency is paid a percentage fee "contingent" on the amount of delinquent Accounts Receivable collected by a Statewide Debt Collection Agency.

Debt. An outstanding Accounts Receivable, obligation or other liability to pay or return something to a Billing Entity.

Debt Collection Agency. A duly licensed entity which has been authorized under the Statewide Contract for Debt Collection Services to assist Billing Entities in Collection of Debts. Debt Collection Agencies approved under the Statewide Contract for Debt Collection Services must be licensed to perform Debt Collection services in the State by the Division of Banks.

9.02: continued

Debtor. An individual, sole proprietor, corporation, partnership, organization, business trust or association or two or more persons, or other legal entity which owes an Accounts Receivable, obligation or other liability to pay or return something to the State, federal, local or the Billing Entity in another state.

Department. State agencies, departments, subdivisions, offices, boards, commissions, committees, councils, boards or institutions of the State, the Institutions of Higher Education, the Judicial and Legislative Branches and Constitutional Offices as defined in M.G.L. c. 29.

Discharge. The dissolution of a Debt, either through full payment, Intercept, Settlement with partial Write-off or Write-off.

Disputed Debt. Occurs when a Debtor notifies a Billing Entity, or Debt Collection Agency, that there is a disagreement as to the identity of the Debtor, the amount or the existence of a Debt.

Division of Banks. State Department created under M.G.L. c. 26, 209 CMR 18.00: *Conduct of the Business of Debt Collectors and Loan Servicers* and M.G.L. c. 93, § 24A that licenses Debt Collection Agencies in the State. Debt Collection Agencies under the Statewide Debt Collection Contract must be certified by the Division of Banks to perform Debt Collection services in the State.

Due Date. The date when payment of an account receivable is due, usually 30 calendar days from the date an Accounts Receivable event occurs or its billing date; or as established by contractual terms or statute.

Dunning Notice. A written notice appearing on an invoice or statement mailed or personally delivered to a Debtor providing notice that payment for an Accounts Receivable or a Debt is past due, the right to dispute the Debt and an opportunity for due process or a Hearing. The requirements for Dunning Notices for Debts to be collected on behalf of State Department Billing Entities or through the Intercept process are identified under 815 CMR 9.03.

Hearing. A Debtor's opportunity to present evidence or other proof to dispute the validity of a Debt, the amount of a Debt or the identity of the Debtor. A Hearing may be in any format that provides a Debtor with a reasonable opportunity to provide proof to dispute any aspect of a Debt or the identity of the Debtor and to resolve the Disputed Debt. A Hearing may be in the form of a M.G.L. c. 30A Hearing or any other meeting or reasonable opportunity to collect and record evidence provided by a Debtor, hear any arguments and attempt to resolve the Disputed Debt. Any administrative or other court process pursued in the normal course of business of a Billing Entity that provides the same opportunity to dispute the Debt and results in an order or other directive to make payment shall meet the Hearing requirement.

Intercept. An action performed under 815 CMR 9.00 by the Office of the Comptroller through the MMARS State Accounting System to discharge a delinquent Debt from other funds owed or scheduled to be paid to a Debtor, including tax refunds pursuant to M.G.L. c. 62D, Settlements and judgments, and other funds as determined by the Comptroller to be authorized to be used for Intercept Collections. Intercept Collection Charges are automatically deducted from at the time of Intercept.

Judgment. A court order ruling that the Debtor is obligated to pay a Billing Entity a specific sum. Court judgments or other administrative procedures providing a Debtor with sufficient due process and opportunity to dispute a Debt will waive the requirement for multiple billings and notices of Debt Collection and Intercept. A Billing Entity may submit directly to a Statewide Debt Collection Agency or Intercept or any other administrative or legal procedure to collect a Debt under judgment.

Late Fees and Collection Charges. Contingent Percentage Fees and other fees and charges established under M.G.L. c. 29, § 29H or other state or federal laws or regulations, which are added to the Debt to be collected and deducted from payments when a Debt is collected.

MMARS. The Massachusetts Management and Reporting System (MMARS), the official State Accounting System used by the State to record and report on the State's accounting and financial activity.

9.02: continued

Non-tax Revenue. Funds derived as a result of legislatively or legally authorized fines, fees, licenses, permits, assessments, third party payments, interest, overpayments and other Accounts Receivable owed to a Billing Entity with certain exceptions such as Revenues from taxes, lottery operations and State, federal or local investments.

Payment Plan Agreement. A written installment plan for collecting an outstanding Debt agreed to by a Billing Entity and Debtor. The Comptroller shall prescribe the requirements for Payment Plans to collect State Debts, and Payment Plans negotiated by Debt Collection Agencies under the Statewide Debt Collection Contract.

Reciprocal Cooperative Agreements. A written agreement between the State and other Billing Entities to share Collection data, and cooperate in the Collection of Debts for both the State and the reciprocal Billing Entity.

Revenue. All amounts due and collected from taxes, agency fees, fines, assessments, Charges, and other Revenues, retained Revenues, federal grants, federal reimbursements, lottery receipts, court judgments and investment earnings and other Revenues for a State, federal or local Billing Entity.

Settlement. A legally enforceable agreement between a Billing Entity and a Debtor to accept a lesser Debt amount than owed to discharge the Debt in full. For State Department Billing Entities, a Settlement requires a partial Write-off of the Debt and the Billing Entity must have made diligent efforts to collect the full amount of the Debt through Intercept, a Debt Collection Agency, litigation or other administrative process prior to submitting a request to the Office of the Comptroller for partial Write-off of the Debt through Settlement.

State. The Commonwealth of Massachusetts.

State Accounting System. The official accounting system used by the State to record and report on the State's accounting and financial activity known as the Massachusetts Management and Reporting System (MMARS).

Statewide Contract for Debt Collection Services. A contract procured by the Office of the Comptroller for the provision of Debt Collection services on behalf of all Departments and other authorized Billing Entities. Statewide Collection Agencies agree to provide Debt Collection services in return for a specified Contingent Percentage Fee based upon the amount of delinquent Accounts Receivable collected by the Collection Agency.

Uncollected Receivable. A Debt which, after diligent but unsuccessful attempts at Collection is deemed uncollectible. State Department Billing Entities are required to pursue Debts through both Intercept and Debt Collection services prior to identifying a Debt uncollectible and eligible for Write-off. For the purposes of Debt Collection services, Debts will be administratively deemed "uncollectible" six months after referral to a Debt Collection Agency and must be returned to the Billing Entity for re-referral, continued Intercept, or Write-off.

Write-off. An accounting action to remove an uncollected receivable from the Billing Entity's financial records. For State Debts, the Billing Entity must demonstrate diligent efforts to collect the Debt including Debt Collection and Intercept, prior to submission of a request for Write-off to the Office of the Comptroller.

9.03: Billing Entity Requirements for Collection of Debts

(1) Billing Entity Accounts Receivable Management. State Department Billing Entities are responsible for making diligent efforts to collect legislatively and legally authorized Accounts Receivables and Debts and for pursuing the full amount of a Debt. The Comptroller may prescribe accounting requirements for State Department Billing Entities to record Collection activity. All State Department Billing Entities, and any other Billing Entity using the Intercept process or the Statewide Debt Collection Contract are required to maintain detailed records to support the Collection of an Accounts Receivable, that a Debt is accurate and legally enforceable, and to support the accuracy of Debtor information.

9.03: continued

(2) Confidentiality of Debt Collection Information. All Billing Entities are required to maintain the security and confidentiality of information related to Debts and Debtors in accordance with state and federal laws related to confidentiality and Debt Collection, including M.G.L. c. 93H and c. 93I.

(3) Fast Track to Attorney General's Office. At any point in the Collection process when a State Department Billing Entity has reason to believe the assistance of the Office of the Attorney General is essential to the successful Collection of the Debt, a State Department Billing Entity Department may contact the Office of the Attorney General for assistance.

(4) Billing Entity Collection Efforts. The following outlines the standard process for billing and notices to collect Accounts Receivables and Debts. A State Department Billing Entity, and any Billing Entity seeking to submit Debts to the Intercept process under 815 CMR 9.00 must comply with 815 CMR 9.03(4)(a) through (d).

(a) Suspension of Collection Efforts for Disputed Debts. A Billing Entity must immediately suspend the Debt Collection process for any Disputed Debt, or whenever a written request for a Hearing has been timely submitted, with the exception of any Debt that has already been subject to a court or administrative due process and has received a Hearing opportunity. A Billing Entity must suspend any Debt that cannot be confirmed and certified as accurate and legally enforceable. The suspension of Debt Collection activities shall continue until the Billing Entity has completed a Hearing or other comparable due process, if one has been timely requested in writing by the Debtor, or until the dispute is resolved between the Billing Entity and the Debtor. If a Hearing has not been timely requested in writing by the Debtor, and the Billing Entity determines that the Debtor's dispute is not supported by credible evidence, the Billing Entity may remove the suspension and continue with the Debt Collection activities.

(b) Initial Billing. A Billing Entity must transmit an initial bill to a Debtor. The bill must include the name of the Debtor, the authorized type of Accounts Receivable being charged, the amount of the bill, the date the bill was issued, the date that payment is due before it is considered delinquent and procedures for remittance of payment. Billing Entities are responsible for ensuring and certifying the accuracy of the information contained in the bill.

(c) Dunning Notices. If the initial bill is not paid in full by the Debtor by the payment due date, and the Debt has not been disputed by the Debtor, a Billing Entity must demonstrate diligent efforts to collect the Debt. Diligent efforts shall include at a minimum, but shall not be limited to, three written billing and Dunning Notices in addition to the initial billing, and a final notice. The following is the standard dunning schedule, but a Billing Entity shall establish any comparable Dunning Notice schedule that provides at least 120 days prior notice of Debt Collection and Intercept:

1. 01 days past due Dunning Notice;
2. 30 days past due Dunning Notice;
3. 60 days past due Dunning Notice;
4. 90 days past due final notice.

(d) Notice Requirements. If Debts will be submitted for Collection through Intercept or to a Statewide Debt Collection Agency, at least three Dunning Notices must contain notice informing the Debtor of the following items:

1. Right to Dispute the Debt. Notice to the Debtor of the right to dispute the Debt if the Debt is inaccurate or the Debtor is not the individual who legally owes the Debt.
2. Due Process Notice. Notice to the Debtor that they may make a timely written application for a Hearing or other due process procedure within 15 business days from the date of the notice. The Hearing or due process procedure shall be based upon the Billing Entity's Debt dispute internal procedures, unless a Hearing has already been provided to the Debtor or a due process opportunity is provided before the dunning process begins.
3. Notice of Discharge of the Debt Through Intercept. Notice that the Debt remains unpaid, and if the Debtor fails to dispute the Debt or request a Hearing, that the Debt will be automatically assigned to Intercept from any other State, federal or local payments that may be due to the Debtor, or scheduled to be paid to the Debtor, including State tax refunds under M.G.L. c. 62D or federal taxes, and that the Debt may be subject to Late Fees and Collection Charges.

## 9.03: continued

4. Notice of Intent to Assign a Debt to a Collection Agency. Notice that the Debt may be assigned to a Collection Agency and may be subject to Late Fees and Collection Charges.
5. Final Notice. A final notice (usually when 90 days past due) that the Debt is eligible for immediate referral to Intercept and may also be submitted to a Collection Agency for Collection, and may be subject to Late Fees and Collection Charges.

9.04: Simultaneous Submission of Debt for Intercept and Debt Collection

State Department Billing Entities processing Debts through the MMARS State Accounting System will automatically assign Debts systemically to Intercept when the Debt is 120 days past due, unless the Debt has been flagged as exempt from Intercept. Unless otherwise specified by the State Department Billing Entity submitting the Debt, all Debts may be simultaneously submitted to Intercept and to a Statewide Debt Collection Agency. Statewide Debt Collection Agencies have the right to refuse and return Debts to the submitting Billing Entity until Intercept efforts are completed. Statewide Debt Collection Agencies that accept a Debt that has been submitted simultaneously for Intercept and Debt Collection assume the risk that the Debt will be successfully Intercepted in whole or in part prior to the Collection Agency's Collection of the Debt, and the Agency shall not be entitled to any compensation for Debt Collection work performed.

9.05: Debt Collection Services Statewide Contract

- (1) Procurement of Statewide Contract for Debt Collection Services. The Office of the Comptroller shall procure a Statewide Contract for Debt Collection Services in accordance with applicable procurement requirements and publish the Contract for use by Billing Entities. State Department Billing Entities collecting State Debts must use the Statewide Contract for Debt Collection Services unless authorized to procure Debt Collection services under separate legislative authority. Any Billing Entity using the Statewide Contract shall use the Statewide Contract as negotiated and published and may not amend or negotiate different terms without prior review by the Office of the Comptroller.
- (2) Location Assistance. If a Billing Entity cannot locate a Debtor to serve notice of a Debt, the Billing Entity may use the Statewide Debt Collection Contract for location services on a fee for service basis.
- (3) Confidentiality of Debt Collection Information. Statewide Debt Collection Agencies are contractually obligated to ensure the security and confidentiality of all Debt information submitted under a Debt referral, training staff to ensure that no information about any Debt or Debtor is disclosed or accessed for any reason except as authorized, and taking the necessary precautions to ensure the security of all files, systems and other filing or storage locations of Debt and Debtor information to prevent data breaches as defined under M.G.L. c. 93H, and as prescribed for Federal, local and other states under applicable Debt Collection laws. In addition, all Statewide Contract Debt Collection Agencies are contractually obligated to meet the Payment Card Industry (PCI) standards for securing banking information and other personally identifiable information when receiving electronic payments from Debtors.
- (4) Contingent Percentage Fees. Unless otherwise provided by law, or as authorized in the Debt Collection Services Statewide Contract, or by the Office of the Comptroller, no Contingent Percentage Fee payments shall be made for any Debt Collection services unless a Debt has been collected. Approved Contingent Percentage Fees are added by the Statewide Debt Collection Contractor to Debts referred by a Billing Entity. Statewide Debt Collection Agencies are authorized to net the Contingent Percentage Fee from gross receipts collected at the time the net proceeds are remitted to the Billing Entity in accordance with terms of the Statewide Contract. Statewide Debt Collection Agencies are required to provide detailed reports of all Collection activity as well as access to any information necessary to validate the amounts collected and the Contingent Percentage Fees netted.

## 9.05: continued

(5) Statewide Debt Collection Litigation Services.

(a) Statewide Debt Collection Agencies may provide litigation services for a Contingent Percentage Fee rate, which is usually a higher Contingent Percentage Fee rate than standard Collection services. Litigation services provided by a Statewide Debt Collection Agency may be charged only at the Contingent Percentage Rate which is added to the Debt, and may not separately bill or charge the Billing Entity or to the Debtor.

(b) Litigation Services-approval of SAAGs (Special Assistants Attorney General) by Office of the Attorney General. Statewide Debt Collection Agencies that provide litigation services must have their selected lawyer(s) designated Special Assistants Attorney General (SAAG) by the Attorney General's Office before any litigation services may be provided for State Department Billing Entities. State Department Billing Entities shall be responsible for monitoring the litigation efforts undertaken on behalf of the State by Debt Collection Agency SAAGs who have been approved by the AGO. Litigation by SAAGs may be undertaken only with the prior written approval of the State Department Billing Entity.

(6) Settlement with Partial Discharge /Partial Write-off. Statewide Debt Collection Agencies are not authorized to negotiate or settle a partial discharge of a Debt without the prior written approval of the Billing Entity, but may recommend a Settlement with a partial discharge to the Billing Entity, based upon the Debt type and financial circumstances of the Debtor and the likelihood of Collection. The Billing Entity will then determine if a Settlement with a Partial Discharge (partial Write-off) is appropriate and authorize the Debt Collection Agency to negotiate a Settlement. State Department Billing Entities are responsible for diligent efforts to collect the full amount of the Debt, and must certify that any Settlement and partial discharge, which will result in a partial Write-off, is in the best interests of the State when submitting a Write-off request to the Office of the Comptroller.

(7) Uncollected Debts. Statewide Contract Debt Collection Agencies must refer all uncollected Debts back to the Billing Entity after all Debt Collection actions have been exhausted, or upon six months after the Debt referral date, whichever is earlier. For the purposes of Debt Collection services, Debts will be administratively deemed "uncollectible" six months after referral to a Statewide Debt Collection Agency and must be returned to the Billing Entity for re-referral, continued Intercept, or Write-off. A Debt Collection Agency that returns a Debt as uncollectible may not claim a Contingent Percentage Fee if the Debt is subsequently collected directly by the Billing Entity or through other Collection efforts.

9.06: Payment Plans

(1) A Billing Entity shall have the option, at any time during the Debt Collection process, PRIOR to submission of the Debt to Intercept, to offer a Debtor a Payment Plan to discharge the full amount of a Debt through installment payments.

(2) Payment Plans for State Department Billing Entities and Payment Plans negotiated by a Statewide Contract Debt Collection Agency on behalf of any Billing Entity must adhere to the following requirements:

(a) Payment Plans must be negotiated for the full amount of the Debt and may not be negotiated for less than the full Debt amount unless the Settlement process is followed pursuant to 815 CMR 9.05(6).

(b) Payment Plans should attempt to collect an initial down payment of at least 25% of the total Debt, depending upon the Debt type and financial circumstances of the Debtor, as negotiated between the Billing Entity and the Statewide Debt Collection Agency.

(c) Payment Plans should have a maximum duration not to exceed six months, unless the Eligible Entity approves a longer period not to exceed in any case 12 months.

(d) Payment Plans negotiated in the final year of the Statewide Contract for Debt Collection may not be negotiated to extend beyond six months after the termination date of the Contract unless confirmed with the Office of the Comptroller.

(e) Contingent fees payable to the Debt Collection Agency will be due at the time each Payment Plan installment is remitted to the Billing Entity.

9.06: continued

(3) Payment Plans by other Billing Entities that are not negotiated by a Statewide Contract Debt Collection Agency shall follow the internal requirements for the non-State Department Billing Entity.

9.07: Intercept of Debt by Office of the Comptroller

(1) Submission of Billing Entity Debt to Intercept.

(a) State Department Billing Entities processing Debts through the MMARS State Accounting System billing and Accounts Receivable System will automatically assign Debts systemically to Intercept when the Debt is 120 days past due, unless the Debt has been flagged as exempt from Intercept.

(b) State Department Billing Entities that have received prior Office of the Comptroller approval to use an alternate billing and Accounts Receivable System or application must take the appropriate steps to assign Debt through the Intercept system either through an interface with the MMARS State Accounting System or through any other interface prescribed by the Office of the Comptroller. If an alternative billing and Accounts Receivables Systems or application is used, the State Department Billing Entity must certify to the Comptroller annually as part of the internal control review process, in addition to any other required certification, that the delegated system supports appropriate security of personally identifiable information in accordance with M.G.L. c. 93H and c. 93I, Executive Order 504: *Order Regarding the Security and Confidentiality of Personal Information* if applicable to that State Department Billing Entity, any other applicable security or privacy requirements, and compliance with state finance law as prescribed by the Comptroller.

(c) Other non-State Department Billing Entities may submit Debt to Intercept through any interface prescribed by the Office of the Comptroller.

(2) Certification of Due Process and Accuracy of Debts. A Billing Entity submitting a Debt to Intercept must certify compliance with the Accounts Receivable, billing, dunning and due process notice requirements in 815 CMR 9.03, including verifying and certifying the accuracy of the name of any Debtor, the tax identification number, the amount of the Debt and that the Debt is legally enforceable.

(a) Debts submitted by State Department Billing Entities under 815 CMR 9.07(1)(a) shall be considered certified when a Debt is entered into the MMARS State Accounting System and approved to final status.

(b) Debts submitted by State Department Billing Entities under 815 CMR 9.07(1)(b) shall be considered certified when a Debt is approved by an authorized signatory through interface with the MMARS State Accounting System or through any other interface prescribed by the Office of the Comptroller. The State Department Billing Entity must continually verify and separate each submission to ensure that any exempted, restricted, disputed, uncertified or previously collected Debts have been removed from interface files to be submitted for Intercept.

(c) Debts submitted by non-State Department Billing Entities under 815 CMR 9.07(1)(c) shall be considered certified when a Debt is approved by an authorized signatory through an interface with the MMARS State Accounting System as prescribed by the Office of the Comptroller. The Billing Entity must continually verify and separate each submission to ensure that any exempted, restricted, disputed, uncertified or previously collected Debts have been removed from interface files to be submitted for Intercept.

(3) Reconciliation of Intercepts. Billing Entities shall be responsible for reimbursing any collected amounts, Late Fees or other Collection Charges deducted from any Debt that was improperly Intercepted. Billing Entities are required to maintain detailed records to support the Collection of an Accounts Receivable through Intercept, that a Debt was accurate and legally enforceable, and to support the accuracy of the Debt and Debtor information, and any Debts that were modified or reimbursed through improper Intercept.

(4) Procedures for Exempting Certain Debts or Payments from Intercept. State Department Billing Entities may submit requests to the Office of the Comptroller to exempt certain Debts or types of payments from the Intercept process. For other Billing Entities, Debts that should be exempt from Intercept must be removed from any file to be submitted through an interface for Intercept.

9.07: continued

(5) A Debt may be re-submitted to Intercept indefinitely until the statute of limitations for Collection of that Debt has expired, or the Debt is deemed uncollectible and eligible for Settlement or Write-off under 815 CMR 9.08.

9.08: Settlement and Write-off

(1) Settlement with Partial Discharge and Write-off. State Department Billing Entities are responsible for diligent efforts to collect the full amount of a Debt, and must certify that any Settlement and partial discharge which will result in a partial Write-off is in the best interests of the State when submitting a Write-off request to the Office of the Comptroller. State Department Billing Entities may not submit a Debt for partial Write-Off to the Office of the Comptroller until the Debt has been submitted to both Intercept and to a Statewide Debt Collection Agency, unless there is supporting documentation that the Debt is uncollectible, the Debtor is deceased and the Debt can not be pursued, or it is recommended for Write-off by a Statewide Debt Collection Agency. Non-State Department Billing Entities shall follow their own internal requirements for allowing Settlements with partial discharge of a Debt.

(2) Write-off. State Department Billing Entities are responsible for diligent efforts to collect the full amount of a Debt, and must certify that any Write-off is in the best interests of the State when submitting a Write-off request to the Office of the Comptroller. State Department Billing Entities may not submit an Uncollectible Debt for Write-off to the Office of the Comptroller until the Debt has been submitted to both Intercept and to a Statewide Debt Collection Agency, unless there is supporting documentation that the Debt is Uncollectible, the Debtor is deceased and the Debt can not be pursued, or it is recommended for Write-off by a Statewide Debt Collection Agency. Non-State Department Billing Entities shall follow their own internal requirements for allowing Write-off and full discharge of a Debt. The Office of the Comptroller may delegate Write-off authority to State Department Billing Entities which have demonstrated sound business practice in their management of receivables, Debt Collection, and requests for Write-offs as measured by adherence to Office of the Comptroller policy and procedures. This authority may not be delegated to a Statewide Debt Collection Agency.

9.09: Accounting Procedures and Statewide Debt Collection Agency Payments

(1) Office of the Comptroller Management of State Debt Collection Services. Pursuant to 815 CMR 9.00, the Office of the Comptroller is responsible for the oversight of non-tax Debt Collection activities for State Department Billing Entities. The Comptroller shall take such actions as are necessary for the management of Accounts Receivable and Debt Collection activities by State Department Billing Entities, and may direct any State Department Billing Entity to take any action necessary to ensure compliance with the terms of 815 CMR 9.00, state finance law or any other state, local or federal law requiring Debt Collection compliance.

(2) All Revenue collected for Debts under 815 CMR 9.00 during the initial billing, dunning, Intercept or Debt Collection process by State Department Billing Entities, and Intercepts interfaced to the MMARS State Accounting System, shall be recorded and processed through the MMARS State Accounting System as prescribed by the Office of the Comptroller. The Office of the Comptroller will take all necessary steps to establish funds, subfunds, Revenue accounts, expenditure accounts, retained Revenue accounts and any other action necessary to support the Collection of Debts and the Intercept of Debts for participating Billing Entities. The Comptroller may direct any Billing Entity submitting Intercepts through interface to the MMARS State Accounting System to take any action necessary to ensure compliance with the terms of 815 CMR 9.00 related to Intercept or any other state, local or federal law requiring Debt Collection compliance.

(3) The Office of the Comptroller shall approve the payment mechanisms for the Contingent Percentage fees paid to Statewide Debt Collection Agencies under the Statewide Contract for Debt Collection Services. The Comptroller may take any actions necessary and prescribe any procedures or requirements, as appropriate for each type of Billing Entity, for the timely and accurate payment, reconciliation, tax reporting, financial reporting or accounting of Contingent Fee Payments under the Statewide Debt Collection Contract and for the management of Accounts Receivable and Debt Collection activities under the Statewide Contract.

## 815 CMR: COMPTROLLER'S DIVISION

### 9.10: Disputes

A State Department Billing Entity and a Statewide Debt Collection Agency must make reasonable efforts to resolve a dispute within 30 days using all appropriate mechanisms, but in no event shall this resolution period extend beyond the 30<sup>th</sup> day of May in any fiscal year. If a State Department Billing Entity and a Statewide Debt Collection Agency are unable to resolve a dispute after reasonable efforts, or a significant compliance issue, data breach or other contract issue arises, either party may seek assistance from the Office of the Comptroller to resolve the dispute. Disputes between non-State Department Billing Entities, such as cities, towns, authorities, Federal and other States shall be the responsibility of the Billing Entity and the Office of the Comptroller shall have no responsibility to resolve the dispute other than enforcement of the Statewide Contract terms as negotiated under the Statewide Contract.

### 9.11: Severability

If any provision of 815 CMR 9.00 is found to be illegal, unenforceable or void, then Billing Entities and affected parties shall be relieved of all obligations under that provision only, and all other provisions shall remain in full force and effect.

## REGULATORY AUTHORITY

815 CMR 9.00: M.G.L. c. 29, § 29D; c. 7A, §§ 3, 8, 15, 18, and 19 and c. 62D.