



Meat Grading & Certification Branch

Management of Meat Grading and Certification Branch Account Activity

A. Debt Management Report (DMR)

Information Technology Director Responsibilities:

1. Run DMR on a monthly basis. Report should be compiled between the 8th through the 15th of the month to accurately reflect late payments.
2. Summarize information on accounts with outstanding balances.
 - a. Accounts showing balances of 0 days will not be reported.
 - b. Outstanding account balances will be reported in the following delinquency categories: 1 to 30 days, 31 to 60 days, 61 to 90 days, 91 to 180 days, and 181 plus days.
3. Distribute DMR to Chief, Assistant Chief, Grading and Certification Director, Customer Service Director, Assistant Directors and Accounts/Billing personnel.

Grading and Certification Director Responsibilities:

1. Require e-mail responses detailing progress concerning the collection of outstanding balances. The reports should contain contact names, dates and responses.
2. Ensure Assistant Directors take appropriate action with their accounts.

Customer Service Director Responsibilities:

1. Verify the current account status of companies with outstanding balances in the 61 plus day delinquency category with Accounts/Billing personnel. Do not schedule personnel to service accounts when in the 61 plus day delinquency status if the company has not made any payments or has not made arrangements for payment.

Assistant Director(s) Responsibilities:

1. Take prompt, positive action to collect overdue amounts.
2. Be alert to potential changes in a company's business operations that are indicative of financial difficulties. This includes, but is not limited to,

reports of late payments to other companies or reports of possibility for filing bankruptcy, or other types of impending business failures. When possible, provide copies of any correspondence relating to the issues.

3. Ensure employees under their supervision properly collect funds due on COD accounts.

Accounts/Billing Personnel Responsibilities:

1. When requested, provide updates concerning account status.
2. Notify Grading and Certification Director and Customer Service Director when monitored accounts have paid outstanding balances.

B. Action Steps

1. Accounts in 31 to 60 day delinquent status – withhold service until payment of outstanding balance has been received.
2. Accounts in 61 to 90 day delinquent status – place account in COD status. Require payment of all outstanding monies to receive any new service. Account remains in COD status until further notice.
3. Accounts in 91 plus day delinquent status – place account in claims. Deny any new service to company.

C. Payments

1. Supervisory personnel shall either collect a check for the amount of the outstanding balance or ensure that the company will express mail a payment check. All checks shall be expressed mailed to the Meat Grading and Certification (MGC) Branch Office, Customer Service Director.
2. Companies are required to pay outstanding balances in full to ensure uninterrupted services. In instances when they cannot pay the full balances, alternative payment arrangements may be proposed. All proposals for payment arrangements must identify the dates payment(s) will be made and the amount of proposed payment. Proposals for alternative payments should be submitted to the Customer Service Director or the Information Technology Director for review.
3. Payments for outstanding balances should be expressed mailed to the MGC Branch Office, Customer Service Director. Failure to make payments according to agreed terms will result in withdrawal of service until payment is received.

D. Account Tracking

1. Monitor account activity – if a company demonstrates a pattern of late payments by consistently being in the 31 to 60 day status, convert the account to COD status. Require payment of the outstanding balance under the old account number prior to any new service.

E. Claims Referrals

1. Recommendations for placement of accounts into claims status should be submitted to the Information Technology Director and the Customer Service Director. They will review the account history to make a determination. The procedures outlined in the “AMS – Livestock and Seed – Meat Grading and Certification Branch Custom Debt Management Plan FY-2008” shall be followed when accounts are referred to claims.
2. Notification of referral will be provided to the Chief, Assistant Chief, Directors, Assistant Directors and Accounts/Billing personnel.

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Exhibit A

AMS – Livestock and Seed - Meat Grading and Certification Branch Custom Debt Management Plan FY – 2008

Debt management work currently being done:

1. Process billing document modifications to waive interest when requested by Agricultural Marketing Service (AMS) programs.
2. Perform account reconciliations when requested from AMS programs.
3. Review ASUM/OBDT “Out of Balance Report” and take corrective action to correct out of balance situation.
4. Monitor DOCT and work with AMS field offices to resolve items remaining on DOCT after 3 months. If applicable, prepare refund requests.
5. Place documents into appeal status when notified from AMS Programs or customers.
6. Respond to customers regarding information on their accounts and furnish copies of account statements when requested.
7. Follow up on new customer address information received or returned mail from account statements or past due notices. *Update FFIS VEND table if applicable and notify AMS programs.
8. Respond to AMS program inquiries on FFIS billing, account statements, past due notices or table inquiries for the tracking of receivables.

New debt management work (proposed):

1. Dunning notices
 - a. Once Dunning notices have been turned on, FFIS will automatically generate letters to account holders at 30, 60 and 90 days delinquent. Wording is standard for all AMS programs and provides the account holders notification that their debt can be referred to Treasury Cross Servicing.
2. Monitor debt over 90 days (ARTYPE “LS12”)
 - a. AMS, Livestock and Seed Program (LS), Meat Grading and Certification (MGC) Branch will determine which debts will be transferred based on their current interaction with these debtors. For debt which is referred to DMT, AMS, LS, MGC Branch will need to provide contact information (contact name, phone, fax, e-mail, etc.) and the supporting documentation for the bill (FFIS document type ‘VY’).
 - b. MPRBS FMD DMT will attempt contact (phone/fax/letter/e-mail) with account holder to resolve outstanding debt from 90 – 180 days.
 - c. Note: FFIS billing document numbering would not be changed.
3. MPRBS FMD DMT will prepare debt for referral to Treasury Cross Servicing at 150-180 days delinquent.

- a. Send debtor a letter providing notification that their debt can be referred to Treasury Cross Servicing. *(This process will not need to be done once the dunning notices are turned on.)*
 - b. Prepare paperwork for Treasury and submit via FedDebt.
 - c. Monitor monthly reports from Treasury.
 - d. Update AREF table in FFIS to show referral to Treasury.
 - e. IPAC contact for posting of collections from Treasury.
 - f. Note: Once the debt has been referred to Treasury Cross Servicing, the agency (AMS, LS, MGC Branch and MRPBS FMD DMT) is to refer all inquiries regarding the debt directly to Treasury.
4. MRPBS FMD DMT will recommend debt for write-off to “Currently Not Collectible (CNC)” at 2 years old.
- a. The Department has mandated that all debt greater than 2 years old be off the books.
 - b. Update WROT table to create write off documents in FFIS.
 - c. Forward paperwork to budget staff within AMS, LS, MGC Branch for concurrence.
 - d. Forward paperwork to individual delegated the authority to approve write offs for AMS, LS, MGC Branch.
 - e. Approve WR documents in FFIS.
 - f. Maintain an external CNC database of all debt written off to CNC.
5. MRPBS FMD DMT Recommend debt for write-off to close-out once determined that further collection activities will not result in collections.
- a. Update WROT table to create write off documents in FFIS (if not currently in CNC).
 - b. Forward paperwork to budget staff within AMS, LS, MGC Branch for concurrence.
 - c. Forward paperwork to individual delegated the authority to approve write offs for AMS, LS, MGC Branch.
 - d. Approve WR documents in FFIS (if not currently in CNC).
 - e. MRPBS FMD DMT or Treasury will issue 1099-C’s after debts are closed out (greater than \$600).
6. Bankruptcies
- a. AMS, LS, MGC Branch will provide MRPBS FMD – DMT with notification of vendors (not currently referred to ABCO – Claims) who have filed for bankruptcy protection.
 - b. MRPBS FMD will work with OGC to file a “Proof of Claim”.

The address in Minneapolis for forwarding any debt is:

USDA APHIS MRPBS FMD DMT
100 N 6th Street Suite 510C
Minneapolis MN 55403

Helpline: 1-877-777-2128
Helpline e-mail: abshelpline@aphis.usda.gov

MRPBS FMD DMT – Points of Contact

- Jenny Fuchs – Debt Management Specialist
 - 612-336-3236 612-370-2293 (fax)
 - Jennifer.L.Fuchs@aphis.usda.gov
- Kandy Nelson – Debt Management Specialist
 - 612-336-3427 612-370-2293 (fax)
 - Kandy.J.Nelson@aphis.usda.gov
- Paula Daugard – Accountant, DMT
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 - Paula.M.Daugard@aphis.usda.gov
- David Santelman – Manager, DMT
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