

**MEMORANDUM OF UNDERSTANDING FOR
COLLECTION OF DELINQUENT COUNTY
ACCOUNTS BY TREASURER**

THIS MEMORANDUM OF UNDERSTANDING is entered into on this 20th day of MAY, 2022, by the Treasurer of Arlington County, Virginia ("Treasurer") and the Arlington County Police Department ("Department").

The purpose of this Memorandum is to set forth the roles, responsibilities and obligations of each of the parties hereto with respect to the Treasurer's collection of the Department's delinquent accounts.

The Department and Treasurer agree to submit and receive accounts, respectively, pursuant to the "Guidelines for Collection of County Debt by Treasurer's Office", which is attached hereto and incorporated herein.

The Treasurer shall take all actions deemed appropriate to collect the accounts submitted by Department. The Treasurer may use any means of collection authorized by law. The Treasurer shall bear all costs of collection.

The Department is responsible for the maintenance of any and all records concerning the debt submitted to the Treasurer, and the accuracy of the data provided. The Treasurer shall not reveal, divulge or disclose any information concerning any account provided by Department except as is necessary for the collection of the account, and pursuant to law. The Department may request, in writing, that the Treasurer cease collection on any account.

The Department shall forward all payments received on assigned accounts to the Treasurer on a timely basis. The Treasurer shall prepare monthly reports for Department of all payments posted to the collection system and of all outstanding accounts. The Department may request additional reports from the Treasurer which will be provided if resources allow.

The term of this Memorandum of Understanding is for a twenty-four month period beginning July 1, 2022 and ending June 30, 2024.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed on the day and year written above.

TREASURER, ARLINGTON COUNTY

Carla de la Pava
By: _____
Treasurer

ARLINGTON COUNTY POLICE
DEPARTMENT

By: [Signature]
(Title) CHIEF OF POLICE

GUIDELINES FOR COLLECTION OF COUNTY DEBT BY TREASURER'S OFFICE

These procedures are to be followed to assist the Treasurer's Office in the collection of County debt.

Any Department or Agency of the Arlington County Government ("Department") may assign delinquent accounts to the Arlington County Treasurer ("Treasurer") for collection pursuant to a Memorandum of Understanding for Collection of Delinquent Accounts by Treasurer ("Memorandum of Understanding"). Upon assignment to the Treasurer, a late payment penalty of 10% on each delinquent account (or \$10.00, whichever is greater) shall be imposed on each account and interest shall be charged at the rate of 10% per annum. Such penalty and interest shall be accounted for separately and such amounts shall be retained by the Treasurer in order to recoup the costs, including computer systems, materials, postage and personnel, associated with collection of the delinquent account, and the Treasurer otherwise shall bear the costs of collection.

CREATION OF DEBT:

The Department should bill each account immediately upon rendering services, or at least monthly if billing is based upon a regular monthly cycle. Every bill should require payment within 30 days of the billing date. Any account not paid by the due date shall incur a late payment penalty of 10% or \$10.00, whichever is greater. Interest shall accrue on the unpaid balance at the rate of 10% per year until paid in full.

The Department shall, in establishing an account, gather information about the client including: individual or business name (mandatory), current location address (mandatory), contact name, professional title, telephone number, property management company or corporate office name (if applicable), corporate contact (if applicable), corporate telephone number (if applicable), departmental account (ticket) number (mandatory--must be a unique number for each account), home telephone number, driver's license number/social security number (mandatory for participation in the Setoff-Debt Program), place of employment, work telephone number, e-mail address and any other information deemed pertinent to the Department. The Department shall also gather such information for any other person responsible for payment of the account. Such information, along with information about the means of any payment already made (*e.g.*, copies of checks, check information, bank name and information, credit card, etc.) shall be forwarded to the Treasurer with the request to collect the account.

The Department should establish policies about providing services to any person who has delinquent accounts or uncollected bad checks or a history of non-payment.

The Department shall designate one or two of its employees as a debt collection contact ("Contact"). The Contact shall be the liaison between the Department and the Treasurer. The Treasurer shall refer any questions concerning the underlying debt to the

Contact. Any information concerning the payment or handling of the debt collection effort shall be relayed to the Treasurer through the Contact.

INTERNAL BILLING AND COLLECTION:

In the event a debt is not paid by the due date, the Department should immediately send a Notice and Demand for Payment. The notice shall inform the debtor that payment must be made promptly or the account will be assigned to the Treasurer for collection. The Treasurer can provide samples of such notices, and can assist the Department in the preparation of the notice.

If a debt is not paid as required, the Department will send the debt to the Treasurer for collection. The debt shall be sent in electronic format as described below. No debt that is more than twenty-four months from the date of service shall be sent for collection, unless otherwise agreed to by the Treasurer in advance.

The Department shall, at all times, be responsible for maintaining all records regarding the debt. The Department should take any and all steps necessary to create a lien, where applicable, including recording the lien in the Circuit Court land records.

The Treasurer shall assess any payment made with a bad check on an assigned account a returned check fee of \$50.00.

The Department may enter into a payment agreement with the client to extend payment beyond the initial 30-day billing period prior to assignment to the Treasurer. Such agreement shall be administered by the Department and should provide that final payment be made within 90 days of such agreement. Upon the failure of the client to make any payment under the terms of the payment agreement, the Department should immediately refer the debt to the Treasurer. Once an account is assigned to Treasurer for collection, the Treasurer has sole responsibility for negotiations or arrangements concerning the payment of the debt.

TREASURER'S OFFICE COLLECTION:

The Treasurer shall enter every valid assigned account to the ACE System. The Department shall provide sufficient information on every assigned account to facilitate collection in compliance with the requirements of these Guidelines. (See "Creation of Debt", *supra*; "Submission of Accounts to Treasurer", *infra*)

The Treasurer may, in his discretion, take any actions authorized by law in order to collect the assigned accounts based upon the Treasurer's assessment of collection.

Once the debt has been assigned to the Treasurer, the Treasurer has sole responsibility for negotiations or arrangements concerning the payment of the debt. The Department shall have no further communication with the debtor concerning payment.

The Treasurer will advise the Contact if there is a dispute concerning the underlying basis of the debt or the application of past payments. The Contact shall thereafter investigate the claim and advise the Treasurer concerning the continued collection of the debt within fourteen days.

The Treasurer is authorized to make arrangements with a debtor for the payment of any assigned account. The Treasurer may accept payment by credit card and require the debtor to pay any convenience fees charged for such processing.

OUTSIDE COLLECTIONS:

As part of the collection procedure, the Treasurer may file suit to collect a delinquent account, obtain a judgment and enforce the judgment through court process. Additionally, where the Treasurer determines the nature of the debt or debtor warrants it, the Treasurer may refer debt to a private debt collector or private attorney as provided by law.

Such private debt collector or attorney shall be compensated based on a percentage of debt collected as contracted with the Treasurer and the County. The compensation paid to a private collector shall be credited against the debt owed.

SUBMISSION OF ACCOUNTS TO TREASURER:

Every account submitted to the Treasurer shall have as much of the following information as possible:

- * *Name of Person(s) or Business responsible for payment*
- * *Social Security Number (SSN)**, Driver's License Number or Federal ID number*
- * *Addresses*
- * *Telephone numbers*
- * *Contact name and title for a business*
- * *Departmental Account (ticket) Number (must be unique for each account)*
- * *Date of Service*
- * *Balance Due*
- Employer name*
- Employer address*
- Employer telephone number*
- Contact name of employer*
- Method of prior payments (e.g., name of bank if by check or debit card)*
- * **Required information**
- ** The debtor's SSN is required for submission to the Setoff Debt Program

This information shall be provided to the Treasurer as a Microsoft Excel file in the format and layout attached. The Treasurer shall provide the Department with sixty days' notice of any required change to the file type, format or layout.

Accounts missing critical data, such as Name, Address, Date of Service, Departmental Account (ticket) Number or Balance Due, or for which it has been more than twenty-four months since the date of service will be deleted. The Treasurer will provide a monthly reconciliation report to the Department of records deleted from the file and records uploaded to the ACE system for collection.

Files received in an incorrect file layout will not be loaded. The Treasurer will notify the Department regarding such files. The Department will have five business days to submit a corrected file.

The Department shall place a flag on its file for any account submitted to the Treasurer. This flag will enable the Department to notify the Treasurer of any changes, additions or payments to an account, and verify the reports submitted by the Treasurer. Any questions concerning payments or balances on an account that has been flagged shall be referred to the Treasurer.

PROCESSING OF PAYMENTS:

If a payment is received without an indication of an account number, the Treasurer shall determine the accounts to which the payment shall be applied, based upon the law and the Treasurer's determination of collectibility. Requests by the debtor to apply payment to a particular account will be honored only if required by law.

The Treasurer shall process all payments received through the ACE System. If the Department receives a payment on a flagged account it shall be promptly forwarded to the Treasurer for processing. If the Department receives a payment that is to be split between a current unassigned account and a delinquent bill that has been assigned to the Treasurer, the Department shall notify the Treasurer prior to processing the payment.

The Treasurer shall send the Department a list of all payments posted to the collection system on a monthly basis. The Treasurer shall also provide a list of all outstanding accounts and balances on a monthly basis. The Treasurer shall provide an Accounts Receivable report that reflects all accounts that the Department turned over to the Treasurer for collection that still reflect a balance due (balance including any fees and interest charged) and the age of the accounts from start of collections (0-30 days, 31-60 days, 61-90 days, etc.). Other reports may be provided upon request if resources allow.

WRITE-OFF:

The Treasurer may determine that a debt is uncollectible, including any debt for which it has been more than three years from the date of service. The Treasurer shall prepare and present an annual report of such uncollectible debt to the Department for their review.