

State of Michigan
Administrative Guide to State Government

1250.01 Referral of Delinquent Accounts Receivable

Issued: January 1, 1994
Revised: February 5, 2025

PURPOSE

To provide guidelines for referral of delinquent accounts receivable to Treasury.

APPLICATION

Executive Branch Departments and Sub-units.

CONTACT AGENCY

Department of Treasury
Collection Services Bureau

Telephone: 517-636-5300

Fax: 517-636-5215

SUMMARY

Some delinquent accounts receivable are to be dealt with by the respective agency. Others, as specified below, are to be referred to Treasury.

APPLICABLE FORMS

985 State Agency Debt Referral

Contact Treasury for electronic transmission or paper filing instructions.

PROCEDURES

Treasury

- Under MCL 205.13(e), Treasury has all the same powers, duties, functions, responsibilities, and jurisdictions over collection of past due moneys and accounts owed to the state of Michigan or its departments, commissions or institutions that were given to the Attorney General by Public Act No. 375 of 1927, currently codified at MCL 14.131 to 14.134. See also, MCL 205.3.
- Responsibilities in this area are carried out by the Michigan Department of Treasury's Collection Services Bureau, subject to the limitations of Attorney General's Opinion No. 2561 of October 8, 1956, or any other relevant statute or agreement.

Note: Claims for which responsibility of collection lies with the agency by statutory enactment are not referred to Treasury's Collection Services Bureau.

Note: Claims requiring court proceeding to determine money owed to the state and/or currently in bankruptcy or other litigation are not referred to Treasury's Collection Services Bureau prior to completion of court proceedings.

Agency

- Signs a Memorandum of Agreement with Treasury's Collection Services Bureau memorializing the responsibilities of Treasury and the agency as it relates to referral and collection of agency debt.
- Maintains records of all claims submitted to Treasury's Collection Services Bureau showing current status and balance due.
- If by statutory enactment, responsible for making the collection and does not refer the claim to Treasury's Collection Services Bureau.
 - Does not refer claims to the Treasury's Collection Services Bureau until proper due process has been given and collection efforts have been made at the agency for a minimum of six months from the date the debt is a final, unappealable debt. This includes administrative efforts, i.e., suspension of license, etc. Claims may be submitted before the end of the six-month period if previously approved by Treasury (e.g., to comply with federal regulations, state statutes or legislation).
- Must not refer claims for amounts less than \$100 to the Treasury's Collection Services Bureau. Agencies must have proper controls in place to write off or otherwise maintain records for these debts.
- Must provide all claimants with proper and reasonable due process, which includes a written notice that claimants may challenge the amount owed via their right to an administrative review. If such review is held, a written response regarding why the debt is collectable must be issued prior to referring the debt to Treasury's Collection Services Bureau.
- Must identify all claims referred to the Treasury's Collection Services Bureau by a valid social security number or business account number. Claims submitted without an identifying number or using an incorrect number will not be accepted for collection unless approval has been granted by the Treasury's Collection Services Bureau.
- Responsible for year-end accrual of the accounts receivable for financial statement purposes on accounts referred to Treasury.

Other information

- Refer to State of Michigan [Financial Management Guide](#), Part II, Chapter 1, Section 200 for Receipts, Receivables and Revenue Recognition.
- Refer to State of Michigan [Financial Management Guide](#), Part II, Chapter 11, Section 200 for Accounts Receivable Write-Offs.
