

	<b>CLERK OF THE COURT INTERNAL POLICY</b>	
	Area: Administrative Services Document Number: POL-ADMIN-1013 Subject: Aged Account Balances  Page 1 of 5	Effective Date: 7/8/2019  Revision Level: Last Revised Date:

**I. PURPOSE**

To establish a policy and guidance to ensure the Clerk of the Maricopa County Superior Court (the Clerk or COSC) accurately values amounts owed through regular review and evaluation of account balances.

**II. BACKGROUND**

The Clerk maintains records based on court orders and fee deferral submissions. Examples of such records includes:

- Imposition of fines
- Probation Service Fees
- Restitution
- Fee deferrals

These account balances are not recorded in the financial statements of the Clerk's office and are instead tracked in other financial related applications. Balances are reduced when the defendant / debtor submits payments. These payments are reflected in the Monthly Transmittal or in bank activity for restitution checks that are issued to victims. The Clerk does not write off any of these balances unless the court so orders. The Clerk, however, does have processes in place in an attempt to collect these monies owed.

The Clerk has two business units where account balances can exist:

1. Billing and Deferral
2. Criminal Financial Obligations

**III. APPLICATION**

This Policy applies to all account balances maintained in the Clerk's financial applications.

**IV. DEFINITIONS**

- A. Accounts Receivable:** A term used in financial accounting which represent the balance of money owed for goods or services provided by Departments to individuals, organizations, businesses, governmental entities, etc. These balances are generally recorded as a debit in financial statements.
- B. Account Balance:** The amount that a defendant / debtor owes pursuant to a properly issued judicial order or deferral application request. An account balance can occur through imposition of court ordered fines and fines and restitution or the deferral of fees pursuant to a properly executed fee deferral form. The Clerk's office has a legal right and an obligation to collect these balances. However, account balances are not recorded in the Clerk's financial statements, but are captured in other financial applications.
- C. Aged Account:** Aged Account is a term used by the Clerk's office which represents the account balance owed pursuant to court orders where payment has not been made in a timely basis. An Aged Account can also occur when a debtor does not meet the payment criteria associated with the fee deferral when this fee becomes due and payable.

The following is an example of an exchange for services by way of a Billing and Deferral department deferral transaction:



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1. A Debtor files for divorce, custody of a child, petitions for name change, etc., and submits their case to the Clerk of Court. The Debtor cannot afford to pay the filing fee and submits a Deferral Application request. If approved, there is no filing fee due at the time of filing. Fees become due when the case is adjudicated.
2. Once the deferral request is approved, the amount is entered into one of the Clerk's tracking systems.
3. Once the Debtor's case is adjudicated, billing of the deferred filing fee commences and an initial billing statement is sent to the address on file. The Debtor has the option to pay the account in full, set up a payment plan, or submit a Supplemental Application motioning a Judge to waive the fees.
4. If the debtor makes no payments in a 90 day period of time, the account becomes aged and is turned over for collections.

**D. Collection Agency:** A County contracted outside organization which specializes in debt collection.

**E. Debtor:** The individual, organization, business, and/or governmental entity that owes monies to a Department.

**F. Department** – For purposes of this Policy, Department refers to any division / unit of Maricopa County Clerk of Court.

**G. RFR (Resitution, Fines and Reimbursement)** – the application used by the Criminal Financial Obligations unit to track monies owed by a defendant for fees, fines, and restitution.

**H. RevQ** – the application used by the Billing and Deferral Unit to track monies owed by debtors pursuant to a properly completed and approved Deferral Application. This application is also used for billing purposes.

### **V. BILLING AND DEFERRAL UNIT POLICY**

**A.** A properly completed and approved Deferral Application is required for all fee deferrals. Information from this application is entered into RevQ.

**B.** The following Billing and Deferral Unit's (B&D) internal procedures outline reasonable collection efforts to collect monies past due and the documentation of collection efforts by doing the following:

1. After Deferral Application approval, account is established for Debtor in RevQ billing system with personal information, such as name, address, telephone number, social security number, and relevant filing fee descriptions and amounts to be deferred.
2. Once case is adjudicated, a billing statement is sent to Debtor's address on file explaining how a full payment can be made, how a payment plan can be set up, or how a Supplemental Application can be submitted to motion a Judge to waive the billing.
3. When Debtors contact B&D to pay on accounts, personnel notates the Debtor's account with pertinent information, such as reason for phone calls, payments made, and payment arrangements.



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4. During the billing cycle, RevQ automatically notes each billing date, amount, and address where the notice is sent.
5. If no payment is made after 30 days of the initial Billing statement is sent, account status will change to 30+, continue to age, and a Delinquent Notice is sent to the Debtor's address on file.
6. If no payment is made after 60 days of the initial Billing statement is sent, account status will change to 60+, continue to age, and another Delinquent Notice is sent to the Debtor's address on file.
7. If no payment is made after 90 days of the initial Billing statement is sent, account status will change to 90+, continue to age, and a notice is sent to the Debtor's address on file stating the account is in process of being transferred to an Outside Collections Agency.
8. Account will continue to age unless a full payment is made, a payment plan is established by the Debtor calling B&D, or a Supplemental Application is submitted to motion the Judge to waive the fees.
9. If no action is taken by the Debtor after 105 days, and B&D has made reasonable but unsuccessful collection efforts, B&D has the discretion to turn the delinquent accounts over to an outside collections agency under County Contract. The account status is updated in RevQ to note this transfer. All billing notices from B&D then cease.
10. If the B&D has made reasonable but unsuccessful collection efforts, B&D has the discretion to submit the delinquent account into the State of Arizona's Tax Intercept Program, following ARS § 42-1122, which allows the Arizona court system to participate in the Arizona Department of Revenue's Debt Set Off (DSO) program. The DSO program enables participants to intercept Arizona state income tax refunds if an outstanding amount of \$41 or more is owed.
  - (a) Debtor's State Tax Refunds intercepted by the State of Arizona are sent to B&D and applied to account in system.
11. Payments made to the Outside Collections Agency by the Debtor are sent to B&D and applied to account in system; this will continue until account is paid in full.
  - (a) The account remains with the Outside Collection Agency until paid in full.
  - (b) The Outside Collection Agency submits periodic activity and balance reports to B&D.
12. Balances are written off only upon receipt of a judicial court order. Else, balances remain active in perpetuity.

## VI. CRIMINAL FINANCIAL OBLIGATIONS UNIT POLICY

All financial information, as it pertains to Adult Criminal cases adjudicated in the Superior Court of Maricopa County, is maintained within the RFR System. The RFR system works in tandem with the Receipting System.

The RFR system maintains financial obligations information by case number. An individual defendant may have obligations associated with multiple cases.



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1. Court orders docketed using specific codes are received electronically via the Criminal Financial Obligation (CFO) Workflow queue in OnBase.
2. Orders containing financial information for probation and prison sentences are loaded into and updated within the RFR system.
3. At the time a sentence expires any outstanding balances are reduced to a Criminal Restitution Order (CRO).
  - a) Probation Cases – CRO is prepared by the Adult Probation Department
  - b) Sentence of Imprisonment or Revoked Case – CRO Is prepared by CFO upon release from Department of Corrections (DOC) supervision.
4. Once a CRO is signed off on by a Judicial Officer (JO) the CRO is recorded and enforced by the County Collections Unit (CCU).
  - a) A one-time fee is assessed and loaded into the RFR system.
  - b) Interest begins to accrue.
5. The CCU provides periodic reports to the COSC.

**VII. MONITORING ACCOUNT BALANCES**

- A. The Clerk's office has the ability to run periodic reports to monitor account balances.

**VIII. UNCOLLECTIBLE ACCOUNTS**

- A. The COSC has no authority to forgive debts. There may be debts that could possibly be classified as uncollectible (e.g. debtor becomes deceased). However, from a recording perspective, these debts remain in the Clerk's financial records with a notation that the debtor is deceased.

**IX. REVISION HISTORY:**

Revision Number	Revision Author	Summary of Changes	Approval Date
-	Kathy McClaning	Document Origination	5/1/2019
A			
B			
C			



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**AUTHORIZED SIGNATURES:**

Issuing Authority:

Handwritten signature of Michael Nimitz in black ink.

Michael Nimitz, Deputy Director

Approving Authority:

Handwritten signature of Jeff Fine in black ink.

Jeff Fine  
Clerk of the Superior Court

Date Signed:

12/27/19