



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240

MAR 28 1994

FINANCIAL ADMINISTRATION MEMORANDUM NO. 94 - 022 (II.J.)

To: Bureau Chief Financial Officers  
Bureau Assistant Directors - Administration  
Director, Office of Administrative Services  
Bureau Finance Officers  
Chief, Division of Fiscal Services

From: Chief, Division of Financial Administration  
Office of Financial Management

Subject: Increase in Dollar Thresholds for Suspending or  
Terminating Debt Collection Action for Claims

The purpose of this Financial Administration Memorandum (FAM) is to establish new limits for suspending or terminating debt collection action. The new limits are effective April 1, 1994. Revisions to the Departmental Manual are being prepared for review and clearance. This FAM does not apply to the collection of debts owed by current Federal employees. Collection of employee debt is addressed separately in 370 DM 550.

## Claims Not Exceeding \$100,000

Assistant Secretaries are delegated the authority to suspend or terminate debt collection action in accordance with the following criteria:

(1) Bureaus with Receivable Balances Exceeding \$50 million. Assistant Secretaries are authorized to suspend or terminate collection action with respect to claims which do not exceed \$25,000. Suspension or termination of amounts in excess of \$25,000 must be referred to the Solicitor for concurrence.

(2) Bureaus with Receivable Balances Under \$50 million. Assistant Secretaries are authorized to suspend or terminate collection action with respect to claims which do not exceed \$10,000. Suspension or termination of amounts in excess of \$10,000 must be referred to the Solicitor for concurrence.

(3) Bureaus Having Uncorrected Material Weaknesses in Debt Management. The authority to suspend or terminate collection action is limited to \$5,000 when a bureau has an uncorrected material weakness related to debt management. Suspension or termination of amounts in excess of \$5,000 must be referred to the Solicitor for concurrence.

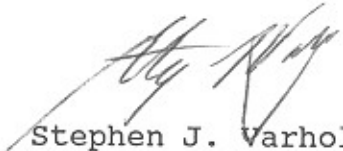
Claims Exceeding \$100,000

When a claim exceeds \$100,000, authority to suspend or terminate collection rests solely with the Department of Justice. Referrals should be accompanied by a recommendation from the Office of the Solicitor.

The authority delegated to the Assistant Secretaries can be redelegated.

The Office of Financial Management will develop reporting requirements to assist in implementing the updated standards.

Should you have any questions concerning the updated standards, or their application, please call John Merrell, or me, at (202) 208-4701.



Stephen J. Varholy

Prior Financial Administration Memorandum: None