

**2200 Division of Motor Vehicles
Vehicle Services**

2281 Accounts Receivable Procedure/Uncollectible Checks(Formerly Reg. No. 83)

1.0 Authority

Pursuant to the State's Accounting Procedures and 21 Del.C. 314, the following procedures will be effective July 1, 1987.

2.0 Uncollectible Checks

Whenever any check given to the Department, in payment of any fee or for any purpose is returned to the Department as uncollectible (non sufficient funds closed account, etc.), the Division shall notify the maker of the check by certified mail that the check has been returned by the bank to the Division.

- 2.1 The certified mail shall be sent to the last known address of the maker who shall be allowed 10 days to furnish payment for the returned check.

3.0 Assessment of Collection Fee

In addition to the payment of the check, the maker of the check shall be assessed a \$25.00 collection fee as authorized by Section 314 of Title 21, **Delaware Code**.

4.0 Response of Maker

If the maker of the check responds within 10 days and furnishes payment for the check and the other collection fees, no further action is required.

5.0 Non-Response of Maker

If payment is not made or if there is no response in 10 days following the date of the mailing, the Division shall suspend the driver's license of the person and also the vehicle registration if the check was given in payment for such registration. The suspension(s) shall remain in effect until payment of the check and the collection fees.

- 5.1 A letter shall accompany the suspension notices (mentioned in No. 5) which cites the criminal and civil penalties applicable if payment is not made within 10 days.
- 5.2 If no response is received to the suspension notice/letter of threat within 30 days, debts under \$20.00 are considered uncollectible due to cost of collection. Note: However, the suspensions remain in effect indefinitely.

6.0 Use of Collection Agency

In-state checks over \$20.00 and up to and including \$250.00 shall be turned over to a collection agency.

7.0 Notification for Checks Exceeding \$250.00

- 7.1 A letter shall be sent to makers of checks exceeding \$250.00 stating that a complaint is being prepared and forwarded to the Attorney General's Office for collection. Allow 30 days for response.
- 7.2 If no response is received, these debts shall be turned over to the Attorney General's Office for collection.

8.0 Reporting Procedure

- 8.1 Age accounts receivable as required for current fiscal year on all bad checks.
- 8.2 Show grand total of accounts receivable for each year up to five years.
- 8.3 Total accounts receivable over five years report as one total.

**TITLE 2 TRANSPORTATION
DELAWARE ADMINISTRATIVE CODE**

- 8.4 Indicate collection rate percentage.
- 8.5 Indicate accounts receivable total transferred from active to inactive status (uncollectible) after five (5) years.