



STATE OF MAINE  
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES  
**OFFICE OF THE STATE CONTROLLER**  
14 STATE HOUSE STATION AUGUSTA, MAINE 04333-0014

SERVING THE PUBLIC AND DELIVERING ESSENTIAL SERVICES TO STATE GOVERNMENT

ELAINE CLARK  
ACTING COMMISSIONER

DOUGLAS E. COTNOIR, CPA, CIA  
STATE CONTROLLER

**TO:** ALL STATE DEPARTMENTS, INSTITUTIONS AND AGENCIES  
**FROM:** Douglas E. Cotnoir, CPA, CIA, State Controller  
**DATE:** January 21, 2026  
**SUBJECT:** Delinquent Accounts Receivables – Recommended for Charge-off – Due February 20, 2026

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**State agencies are responsible for effectively managing their accounts receivables. Effective management includes reviewing outstanding receivables to ensure that all reasonable efforts are used to affect timely collection.**

After exhausting all normal collection efforts, agencies are required to notify the State Tax Assessor for Set-off (36 MRSA §185 and §185-A). Maine Revenue Services will assist the agency by offsetting the debt against any future State income tax refunds. Agencies must give the Set-off process at least a year to determine if anything will be collected. If less than 10 % is collected during the first year, then the agency may submit the receivable for charge-off. In cases where the social security number cannot be determined, please contact Stacey Thomas in the Office of the State Controller for assistance.

The Charge-Off process is only used for accounts receivables that the **agency head** and the **division head** certify as being uncollectible. Certification must include adequate documentation of why the account is uncollectible, including collection efforts made. The Attorney General's office is available to help agencies with special problems. The Commissioner reserves the right to reject any and all charge-offs.

This memo requests the following actions related to *Outstanding Accounts Receivables*.

**DELINQUENT ACCOUNTS RECEIVABLES – RECOMMENDED FOR CHARGE-OFF – Please consider the following:**

- **Due date is no later than February 20, 2026.** Due to processing constraints, late reports cannot be accepted.
- Agencies are to provide **one** report, which must include **original** signatures. Title 5 MRSA § 1504 requires charge-offs to be signed by the **department head**, and **division head**, certifying that all accounts are impractical of realization.



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- Make sure all account coding has been completed, including unit on the spreadsheet provided.
- For 0022 and 0052 Receivables – Please include the RE Document ID on the spreadsheet provided.
- Agencies are required to provide a narrative to the Office of the State Controller explaining their process for collecting debt.
- Submit to **Stacey Thomas, OSC, 14 SHS, Augusta, ME 04333-0014**

Accounts receivable balances by appropriation can be obtained on the B9151 report in Docuware. To obtain balances by unit, a query can be created in the Financial Data Warehouse. The charge-off procedure **must not** be used for adjustment purposes. Any receivables that have **not** been realized due to errors in billings or over-charges must be adjusted by journal.

After the financial order for charge-offs has been processed, these accounts may be submitted to a commercial collection agency. Therefore, all agencies must have copies of invoices rendered to the debtor and copies of other collection efforts available upon request from the State Controller, the Attorney General, or a designated collection agency.