

Court Collections Program Components and Details

Components 1 – 7 are *required* to achieve compliant-program status; components 8, 9, 10 are *optional*.

Compliance *does not* require that a court implement every detail listed below each component. Rather, the details provide additional information about the component or concrete examples of ways a court may fulfill the listed requirement.

Component 1: Staff or staff time is dedicated exclusively to collections activities.

Details for Component 1:

- a. Staff devoted to collections activities may include court employees, funding unit employees, or contractual employees.
- b. Staff or staff time is dedicated to performing some or all of the following functions:
 - i. Respond to all collections-related phone calls and written correspondence.
 - ii. Ensure that financial assessments are properly entered into the automated system.
 - iii. Ensure that payments and adjustments are properly entered into the automated system.
 - iv. Ensure proper removal of discharged debts from the system.
 - v. Use available resources to locate litigants.
 - vi. Review dockets for all judges, magistrates, and referees to determine if an individual who is delinquent will be present for a court proceeding for any reason.
 - vii. Obtain jail release dates from the sheriff and make payment arrangements with litigants prior to release.
 - viii. Make payment arrangements with litigants as they leave the courtroom.
 - ix. Review and verify all financial statements to determine a litigant's ability to pay.
 - x. Establish and monitor all installment payment plans.
 - xi. Generate default judgments.
 - xii. Ensure costs to compel appearance are properly assessed pursuant to statute.
 - xiii. Generate 14-day notices and noncompliance notices.
 - xiv. Notify Secretary of State to suspend drivers' licenses.
 - xv. Ensure 20 percent late penalty is properly assessed pursuant to MCL 600.4803.
 - xvi. Prepare orders to remit prisoner funds (SCAO-approved form MC 288) pursuant to MCL 769.11.
 - xvii. Prepare wage assignments.
 - xviii. Issue delinquency notices.
 - xix. Prepare orders to show cause.
 - xx. Prepare bench warrants.
 - xxi. Prepare state income tax garnishments/intercepts.
 - xxii. Prepare cases for referral to outside agency for collections.

Component 2: Enforcement of the requirements of MCR 1.110 and communication of the expectation of payment.

Details for Component 2:

- a. All correspondence and contact with the litigant refer to MCR 1.110, which states that payment is due at the time of assessment. In addition, an estimated amount that the litigant will be expected to pay is included in all correspondence. The court:
 - i. Informs litigants from the bench at the initial hearing or pretrial that payment is due upon assessment and provides an estimated amount due.
 - ii. Prints the text of MCR 1.110 on all notices to appear.
 - iii. Advises litigants at the probation screening of the date payment is due and the amount of the expected payment.
- b. The court educates the local legal community as well as the general public that payment is required at the time of assessment.

Component 3: Payment requirement on the day of assessment.

Details for Component 3:

- a. Litigants unable to pay in full on the day of sentencing or disposition are expected to make a payment on the day of assessment. In addition, they are required to complete an application/financial statement for either an extension of time to pay or installment payments.
- b. Discussions that relate to requests for additional time to pay, installment payment plans, or wage assignments do not occur in the courtroom. The litigant is directed by the court to discuss payment options with an individual who has been given the responsibility to set up payment plans.

Component 4: Application/financial statement information is verified and evaluated to establish an appropriate payment plan.

Details for Component 4:

- a. Litigants are not automatically given time to pay. Before granting additional time to pay or approval for participation in an installment payment plan, the litigant is required to submit proof that he or she needs more time to pay. The litigant is required to complete an application or financial statement that the court analyzes to determine if extra time to pay or an installment payment plan is justified.
- b. Payment plans require the highest payment amounts in the shortest period of time that the litigant can successfully make, considering the amount owed and the litigant's ability to pay.

- c. If the court determines that an installment payment plan is warranted, the litigant is required to sign an installment payment agreement. This document states that the litigant agrees to make payments of the court-ordered assessments, and includes the following information:
 - i. Total amount owed.
 - ii. Amount of installment payment.
 - iii. Payment intervals (weekly/biweekly/monthly).
 - iv. Specific due dates of each payment.
 - v. Date the balance should be paid in full.
 - vi. Statement detailing any sanctions that will be imposed if the litigant fails to comply with the agreement.
 - vii. Litigant's signature signifying his or her understanding of the agreement.
- d. For prisoners, the court submits an order to remit prisoner funds (SCAO- approved form MC 288) to the MDOC for the collection of fines, costs, fees, and assessments pursuant to MCL 769.11. Pursuant to MCL 791.220h, the MDOC collects restitution based on the judgment of sentence or other restitution order. If the defendant is sentenced to prison by your court, it is not necessary to attach the judgment of sentence to the order to remit prisoner funds. If the defendant is sentenced to prison by another court and owes your court restitution, then your court attaches the judgment of sentence or other restitution order to the order to remit prisoner funds.

Component 5: Payment alternatives are available for those who do not have an immediate ability to pay.

Details for Component 5:

- a. Payment alternatives such as community service are not considered unless the litigant is in jeopardy of failing to comply with the court order and has demonstrated that he or she has exercised due diligence in attempting to comply.
- b. If the court finds that the defendant is unable to comply with an order to pay money without manifest hardship, the court may impose a payment alternative, such as a payment plan, modification of any existing payment plan, or waiver of part or all of the amount of money owed to the extent permitted by law. MCR 6.425(E)(3)(b).
- c. Nonfinancial payment alternatives may not be used to satisfy certain required assessments such as restitution, crime victim's rights assessment, minimum state cost, and the like.

Component 6: Litigants are closely monitored for compliance, and actions such as delinquency notices, costs to compel appearance, and wage assignments are taken promptly for noncompliance.

Details for Component 6:

- a. The court has established a consistent time standard for initiating enforcement action when a debt becomes past due. This time standard is not so lengthy as to diminish the effectiveness of enforcement.
- b. The court promptly notifies the litigant of delinquency.
- c. The court promptly enters default judgments as required by statute.
- d. The court promptly issues 14-day notices and notices of noncompliance as required by statute.
- e. The court promptly notifies the Secretary of State to suspend drivers' licenses as required by statute.
- f. The court assesses costs to compel appearance.
- g. The court requires a wage assignment for all litigants who are employed and who are granted an installment payment plan; or when an installment payment plan is granted to a litigant, he or she is required to complete a wage assignment with the understanding that if a payment is missed, the court will immediately send the wage assignment to the employer.

Component 7: Submit required receivables and collections reports to the SCAO annually.

Details for Component 7:

- a. The SCAO has established deadlines and standards applicable to the reports required from all circuit courts, circuit court family divisions, district courts, and municipal courts.
- b. The court reviews and utilizes these reports to monitor court collections.

Component 8: Promptly and consistently use statutorily permitted graduated sanctions such as 20 percent late penalty, costs to compel appearance, show cause hearings, bench warrants, and/or state income tax garnishment/intercept.

Details for Component 8:

- a. The 20 percent late penalty is assessed as required by MCL 600.4803. In addition, the court informs the litigant of the penalty.
- b. Costs to compel appearance are assessed as allowed by statute.
- c. If a litigant fails to respond to initial collections efforts, the court sends an order to show cause that requires the litigant to come into court to explain why he or she has not paid the court-ordered assessments. If the litigant fails to appear as ordered, then a warrant for failure to appear is issued for the person's arrest.
- d. The court garnishes or intercepts state income tax refunds.

Component 9: Use of locator services.

Details for Component 9:

- a. A litigant's personal contact information (home phone number, cell phone number, address, etc.) is verified every time a contact is made with the court.
- b. A litigant's financial and employment information is verified every time a collections and/or probation contact is made with the court.

- c. The court uses a locator service(s) to help maintain accurate contact information. While the SCAO does not recommend, endorse, or certify any specific locator service, there are several that have been used by courts. Some will be at a cost, and others will not. These services include:
 - i. www accurint.com
 - ii. www.choicepoint.com
 - iii. www.switchboard.com
 - iv. www.yellowpages.com
 - v. www.daplus.us
 - vi. www.zabasearch.com
 - vii. www.whitepages.com
 - viii. Judicial Data Warehouse www.scao.us
 - ix. Michigan Department of Corrections Offender Tracking Information System (OTIS) www.michigan.gov/corrections
 - x. For company information:
 - 1. www.michigan.gov/corporations
 - 2. www.bbb.com

Component 10: Referral to outside agency for collections after all in-house collections efforts are exhausted.

Details for Component 10:

- a. The determination to use a third party for collections should be made on a court-by-court basis. A court must determine at what point in the collections process the court has little hope of collecting the obligation and when the expense of using a third-party collector is justified. For more complex collections cases, the costs of a third-party collector may not be a factor, because after the court's internal collections efforts have failed and the court has deemed the debt to be uncollectible, any money that a third party collects is money that would not have been collected otherwise.