



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

Mr. Volpe

15601

IN REPLY REFER TO: B-198694 (MRV)

[Dollar Amount for Debts on Which Collection Efforts Will be Terminated] December 3, 1980

Mr. James B. Lancaster
Assistant Director for
Administration and Finance
ACTION
Washington, D.C. 20015

Dear Mr. Lancaster:

Your letter of May 1, 1980, requests our approval of your proposal to raise the dollar amount from \$35 to \$50 for debts on which the agency will terminate collection efforts where the cost of collection exceeds the cost of recovery.

Your request states that prior decisions of our Office have granted the Department of Agriculture the authority to terminate debt collection of amounts up to \$35 under certain stated circumstances. See 45 Comp. Gen. 553 (1966); 18 Comp. Gen. 838 (1939); and B-3338, January 11, 1972. You advise us that ACTION generates many small claims each year where the cost of collection efforts exceeds the total amount of the claims. Some of these claims involve overpayments of living allowances to VISTA volunteers, many of whom are transient and have limited financial resources, so that a substantial effort is required to realize even a small return on these claims. Claims of \$50 or less comprise 20 percent of the total number of claims but less than 3 percent of the dollar value. Therefore, in order to concentrate available resources on larger claims, you propose to terminate collection of claims of \$50 or less under rules substantially the same as we approved in our decision in B-3338, supra.

We note that under the Federal Claims Collection Act, 31 U.S.C. §§ 951-953 (1976), and the Federal Claims Collection Standards set forth in 4 C.F.R., Parts 101-105, agencies may terminate collection activity under certain conditions. See 4 C.F.R. § 104.3. Your request is consistent with those standards.

Accordingly, we have no objection to ACTION's proposed rules attached to the request, provided ACTION continues to account for the claim "writeoffs" in the same manner as has been done in the past.

Sincerely yours,

For The Comptroller General
of the United States

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