

CREDIT AND DEBT MANAGEMENT  
OPERATING STANDARDS AND PROCEDURES HANDBOOK

CHAPTER 1. INTRODUCTION

Section 1.0 Authority

These Credit and Debt Management Operating Standards and Procedures, (Handbook), are established pursuant to the [Commerce Departmental Administrative Order 200-0](#), issued December 24, 1996.

Section 2.0 Purpose

The purpose of the Handbook is to provide guidance to Departmental offices and operating units (organization units) to ensure that consistent credit and debt management practices are established and followed throughout the Department.

The Handbook is also issued to establish and enhance internal Department management practices in conformance with the regulatory requirements established by central agencies in the areas of credit and debt management. These central agency requirements include the [“Federal Claims Collection Standards,”](#) issued jointly by the Department of Justice and the General Accounting Office (4 CFR 101-105); the Office of Management and Budget (OMB) Circular A-129 [“Managing Federal Credit Programs”](#)(January 11, 1993); [“Managing Government Credit—A Supplement to the Treasury Financial Manual”](#) (January 1989); Treasury's [“Guide to Credit Bureau Reporting”](#) (August, 1990); [Title 4, Chapter 10](#), of the General Accounting Office (GAO) [Policy and Procedures Manual for Guidance of Federal Agencies](#), and Treasury's Financial Management Service [“Cross-Servicing Implementation Guide”](#) (January 1999).

Section 3.0 Scope

The Handbook applies to all loan and loan guarantee programs administered by organization units of the Department. Also, certain sections apply to extension of financial assistance and to the collection of receivables relating to procurement, contracts, grants, and cooperative agreements, as well as to collection of general or trade accounts receivable resulting from the sale of goods or services by Department organization units. Further guidance for the collection of receivables is provided in the Department's [Cash Management Policies and Procedures Handbook](#), Chapters 2 and 5.

The Handbook may not anticipate all the variables and contingencies which may confront organization unit officials in the pre-award evaluation process, as well as in subsequent account servicing and debt collection activities. Thus, the Handbook is not a substitute for comprehensive, thoughtful analysis of the varying business, financial, programmatic, and legal

circumstances which will be presented to an organization unit official in developing and servicing a new loan, or collecting on a defaulted loan or assumed loan guarantee.

The Handbook is for internal Department use to guide Department officials. It neither creates nor imposes any legal duty or obligation upon the Department or its officials with respect to any third parties or entities. The Handbook is not to be relied upon by any third parties or entities, and is neither intended to, nor shall be construed to have created any rights for any third parties or entities. The term “third parties” or “entities” as used herein, shall include, but will not be limited to: (1) applicants, recipients, or beneficiaries of a Department financial assistance or procurement program; (2) opponents of any such assistance; (3) banks or other lending institutions seeking guarantees or otherwise participating in or involved in a Department loan or loan guarantee program; (4) creditors of present or future Department borrowers, or creditors of a firm now or in the future benefiting from a Department loan guarantee; or (5) the agents or attorneys of the foregoing entities.

#### Section 4.0 How to Use the Handbook

##### .01 Coverage of the Handbook

The Handbook describes the Departmental requirements for credit extension and debt management activities in organization units.

.02 Form of Issuance

The Handbook will be issued and maintained by publication on the Internet at this address: <http://www.osec.doc.gov/ofm/whatsnew/htm>. Revisions shall similarly be issued by publication to the above website. Notification of revisions shall be by e-mail.

.03 Questions on the Handbook

Questions regarding either the material or its substantive content should be directed to the Director for the Office of Financial Management (OFM), Office of the Secretary. The Director, OFM, is the Department Debt Management Coordinator (see [Chapter 2, Section 2.0](#)).

Section 5.0 Situations Not Covered by the Handbook

In the event that a situation arises which is not specifically covered by the Handbook, guidance should be obtained from the Director, OFM. If guidance cannot be obtained in adequate time from the Director, OFM, it is the responsibility of the organization unit to take such action as is consistent with its overall responsibility. Any questions regarding interpretation of these procedures should be directed to the Director, OFM.

Section 6.0 Appendices

The appendices to the Handbook cover major pre-screening, credit extension, debt collection, and reporting actions. The appendices provide supplemental information on major requirements stated in specific chapters of the Handbook and provide necessary detail for organization unit officials to comply with the Handbook. The appendices also cover situations where specific guidance has been issued by central agencies, where applicable Federal laws and/or regulations call for due process and notification procedures to debtors, and where agreements or contracts exist between the Department or its organization units and private sector credit and/or collection organizations.