

Collection Agencies

A collection agency can be effective since they have the tools and the skills necessary to collect bad debt. In addition, the debt will be reflected on the credit report of the defendant.

When contacting a collection agency to negotiate costs, agencies will normally charge from 30-50% of the amount collected. It is important to negotiate what the collection percentage can be based on.

The 46th Circuit Trial Court negotiated an agreement whereas the collection agency charged 30% of fines and court costs collected. 30% is not calculated on mandated costs and other assessments ordered by the court.

100% of the fines and costs should be collected and receipted since you have a court order directing those dollars to be paid. You will need an expenditure line item in your budget to cover costs from the collection agency (perhaps contractual labor?). You will also want an agreement with your local library so they pay 30% of the collected fines toward those costs.

The 46th Circuit Trial Court will transfer a case to the local collection agency only after the court has exhausted all collection remedies internally.