**Section 320.60 State Agency Internal Offsets**

a) *State agencies shall develop internal procedures whereby agency-initiated payments to its debtors may be offset without referral to the Comptroller's Offset System* (Ill. Rev. Stat. 1986 Supp., ch. 15, par. 155(d)).

b) These procedures must include the following standards:

1) A specified point at which a claim must be entered into the system; for example, claims more than $500 and over 120 days past due. This point will vary by agency and nature of the receivables.

2) Procedures for notifying the debtor of the amount and reason for a deduction.

3) Procedures for removing a claim from the system.

4) A procedure for reporting to the Comptroller whenever an offset is made between two different funds within the agency; this report must include:

A) The name and Comptroller-assigned number of the fund to which the debt is owed;

B) The amount owed;

C) The name and Comptroller-assigned number of the fund from which the offset deduction was made;

D) The amount deducted; and

E) The date of the deduction.