

# BANKRUPTCY PROCEDURES – CHAPTER 7

## (Liquidation of Assets)

Courtesy of Olympia Municipal

Note: Generic content in brackets [ ] was added by AOC in place of specific information.

### When a new Notice of Chapter 7 is received by the court:

- ❑ Go to **CNCI** to determine Olympia-specific case numbers.
- ❑ Write down case numbers on the notice. Note which cases are in collections (\*) and which are not.

#### For Cases in Collection

- ❑ Make a batch docket entry to cover all cases: **‘Received Notice of Chapter 7 Bankruptcy #[case number], filed [filing date], meeting of creditors and deadlines. Bankruptcy covers cases [case numbers]. All forms forwarded to [collection agency] for appropriate action.’**
- ❑ Bring up docket and review status of fine on each case.
- ❑ On the ‘Note’ field, type **‘Chapter 7 Bankruptcy #[case number], filed [filing date]’**.
- ❑ Go to PLS screen and type BNK as a case condition.  
Imposed Date = current date  
Review Date = 6 months from current date.
- ❑ **Do not** adjudicate the FTA and **do not** remove the case from collections on the COS screen.
- ❑ Send all forms to [collection agency], attention Bankruptcy Clerk.
- ❑ File a copy of the Notice of Chpt 7 in the court’s file.

#### For Cases Not in Collection

- ❑ Make a batch docket entry to cover all cases: **‘Received Notice of Chapter 7 Bankruptcy #[case number], filed [filing date], meeting of creditors and deadlines. Bankruptcy covers cases [case numbers]. Copy in court file.’**
- ❑ Bring up docket and review status of fine on each case.
- ❑ On the ‘Note’ field, type **‘Chapter 7 Bankruptcy #[case number], filed [filing date]’**.
- ❑ Go to PLS screen and type BNK as a case condition.  
Imposed Date = current date  
Review Date = 6 months from current date.
- ❑ On TPSE set up timepay [with a due date determined by the court].
- ❑ Take case out of collections on COS screen (if 1<sup>st</sup> notice has been sent).
- ❑ Complete the ‘Proof of Claim’ form (ONLY IF A CLAIM FORM IS INCLUDED WITH THE PETITION), attach a copy of the docket and send to the Bankruptcy Court.
- ❑ File a copy of the Notice/Proof of Claim in the court’s file.

**Upon receipt of 'NOTICE OF DISMISSAL' for a Chapter 7 Bankruptcy:**

**For Cases in Collection**

- ❑ Make docket entry '**Received Notice of Dismissal of Chapter 7 Bankruptcy. Fine is due and owing. FTA to reissue and collection action to resume. Notice forwarded to [collection agency] for appropriate action.'**
- ❑ Reissue FTA:  
Go to FTA screen and adjudicate FTA (**NOTIFY DOL = NO**) as paid in full. Go back to FTA screen and reissue.
- ❑ Remove BNK condition on PLS.
- ❑ Forward form to [collection agency], attention Bankruptcy Clerk.
- ❑ File Notice in the court's file.

**For Cases Not in Collection**

- ❑ Make docket entry '**Received Notice of Dismissal of Chapter 7 Bankruptcy. Fine is due and owing. Case placed on timepay and fine due immediately.'**
- ❑ Go to TPSE and set up timepay with due date = to the date of the Notice of Dismissal.
- ❑ Remove BNK condition on PLS.
- ❑ File Notice in the court's file.

**Upon receipt of 'NOTICE OF DISCHARGE' for a Chapter 7 Bankruptcy**

**For Cases in Collection**

- ❑ Make docket entry '**Received Notice of Discharge of Chapter 7 Bankruptcy. Fine is non-dischargeable and remains due and owing. FTA to reissue and collection action to resume. Notice forwarded to [collection agency] for appropriate action.'**
- ❑ Reissue FTA:  
Go to FTA screen and adjudicate FTA (**NOTIFY DOL = NO**) as paid in full. Go back to FTA screen and reissue.
- ❑ Remove BNK condition on PLS.
- ❑ Forward form to [collection agency], attention Bankruptcy Clerk.
- ❑ File Notice in the court's file.

**For Cases Not in Collection**

- ❑ Make docket entry '**Received Notice of Discharge of Chapter 7 Bankruptcy. Fine is non-dischargeable and remains due and owing. Case placed on timepay and fine due immediately.'**
- ❑ Go to TPSE and set up timepay with due date = to the date of the Notice of Dismissal.
- ❑ Remove BNK condition on PLS.
- ❑ File Notice in the court's file.