

STATEWIDE ACCOUNTS RECEIVABLE MANAGEMENT

The Buzz



SWARM Team News

Gerold and Stacey have been buzzing about to prepare for the implementation of several key accounts receivable (A/R) management projects over the next few months. You know the old saying: spring planning brings summer changing. This edition of the quarterly newsletter will provide an overview of the A/R management projects Gerold and Stacey have been working on.

For more information on how your agency may be impacted by the various projects, please contact the [SWARM Analyst](#) assigned to your agency.

Executive Order (EO 17-09) Update

On May 15, 2018 representatives from Department of Revenue (DOR), DAS Financial Business Systems (FBS), and SWARM provided training to client agencies of the Statewide Financial Management Application (SFMA) in preparation for implementation of the Coordination of Vendor Payments portion of [EO 17-09](#).

On June 1, SWARM published [OAM 35.30.90](#) which requires agencies that process accounts payable transactions in SFMA to notify DOR when a pending payment is due to a vendor that owes debt to the state.

In the first three weeks since implementation, SFMA client agencies intercepted vendor payments totaling \$108k; the Oregon Department of Transportation has intercepted vendor payments totaling \$109k since February 1, 2018.

For more information about the Coordination of Vendor Payment process, please send an email to: Stacey.A.Chase@oregon.gov.

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New Fiscal Year 2018 Reporting Requirement

During the 2017 Legislative Session, House Bill 2947 (codified in [ORS 293.234](#)) passed which requires DAS to report annually to the Legislative Assembly the amounts of liquidated and delinquent debt that were written off by an agency, abated by an agency, and canceled by DOR during the previous fiscal year. Additionally, the legislation requires each agency to certify to DAS that the transactions were processed in accordance with applicable statutes and rules.

SWARM created a [form](#) for agencies to use to report the above referenced data to DAS annually. Agencies shall email the approved form to SWARM@oregon.gov annually by [October 1](#).

For more information about the impact to your agency, please contact your agency's [SWARM Analyst](#).

SFMA Write-off Project

In order to obtain more information about the types of debts written-off by agencies during the fiscal year, SWARM partnered with DAS-FBS to identify a method for capturing which Attorney General approved criteria an agency used to determine that the debt was uncollectible and eligible for write-off.

Beginning July 1, 2018, SFMA client agencies will be required to enter a unique three digit code in the MPCD field when writing off accounts in SFMA. The unique code, defined in [OAM 35.50.10](#), will identify which criteria for uncollectibility the agency used to write-off the debt.

SFMA client agencies that do not enter write-off transactions directly into SFMA will be asked to enter summary amounts by criteria code in SFMA at fiscal year-end to allow for consolidated reporting of write-off activity.

For more information, please send an email to: Stacey.A.Chase@oregon.gov.

Dept. of Revenue: Other Agency Accounts

The Department of Revenue Other Agency Accounts (DOR-OAA) unit is excited to implement the changes that the team has been working on so hard for the past year. The first phase of Senate Bill 1067 changes will be implemented by July 1, 2018; Phase 2 design is already underway. The changes operationalize the new statutory requirements, while establishing the framework for an efficient and sustainable statewide centralized collections program. This will serve as the foundation for future improvements and provide continuous opportunities for the development of a more robust statewide centralized collection program.

The Phase 1 rollout will include consolidated debt management services for all Executive Branch agencies, including debt portfolio management and private collection firm (PCF) management and oversight. These services will be available to other agencies in the very near future. It will also provide DOR-OAAs Revenue Agents with new tools to improve their ability to collect on behalf of agencies.

Look for an email shortly after the July 1 go-live with more information about the changes coming to DOR-OAA and statewide collections. That email will also explain how to contact DOR-OAA with feedback on the changes.

For more information, please send an email to: Todd.Evans@oregon.gov.



Partner Focus:



On July 1, 2018 the debt centralization provisions referenced in Senate Bill 1067 (2017) became operative. All Executive Branch liquidated and delinquent accounts assigned to DOR-OAA that have not had a payment within six months from the date of assignment, or six months from the date of the last payment will be assigned by DOR-OAA to a PCF.

In order to implement the legislative changes by July 1, DOR-OAA will contract with the three PCFs with existing file exchanges used by DOR-tax: Account Control Technology, Inc. (ACT), Premiere Credit of North America, LLC; and Professional Credit Service (PCS).

DOR-OAA will assign eligible Executive Branch liquidated and delinquent accounts to the above PCFs using a performance based allocation model (i.e. collections received as a percentage of assignments). Executive Branch agencies will be notified of PCF account assignments monthly DOR-OAA reports.

Accounts will be assigned by DOR-OAA to PCFs for first and second placements. Each placement will allow the respective PCF to “work” the account for a 12-month period. If no collections are received within the 12-month period, or if 12-months have elapsed since the date of the last payment, the PCF will return the account to DOR-OAA for assignment to a new PCF for second placement.

Executive Branch agencies with accounts assigned to a PCF as of June 30, will continue to work with the PCF for those specific accounts until the collection time period expires per the agency’s purchase order; liquidated and delinquent accounts subject to assignment on or after July 1 must be assigned to DOR-OAA as per [ORS 293.231](#).

On May 16, 2018, DOR-OAA and SWARM provided training to agencies impacted by the debt centralization provisions. If you were unable to attend the training, a recording is available [here](#). For those interested in a copy of the training slide deck, please click [here](#).

For more information on how your agency may be impacted by the debt centralization provisions, please contact the [SWARM Analyst](#) assigned to your agency.

ARPM Reporting

The accounts receivable performance measure (ARPM) reports for the quarter ending June 30, 2018 are due to SWARM no later than October 1. Agencies must calculate the quarterly ARPM targets and include those targets in the ARPM reports due October 1.

Additionally, agencies are required to report the following annual ARPMs for the fiscal year ending June 30 to SWARM by October 1:

- Days to assign
- Days to collect
- Write-offs as a % of available A/R

Agencies with a DAS approved exemption to the 90-day assignment timeframe are also required to report the following annual ARPM:

- Collections ROI

SWARM published a recorded training on reporting ARPMs and establishing targets. Click [here](#) to view the training.

For more information, please contact the [SWARM Analyst](#) assigned to your agency.



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Special thanks to:

Todd Evans, Department of
Revenue Other Agency Accounts

Sharrie Cripe, Oregon Parks and
Recreation



Oregon Parks and Recreation

The Oregon Parks and Recreation Department (OPRD) is a medium sized agency.

The Department's revenue derives primarily from state park user fees, recreational vehicle licenses, and Oregon Lottery funds.

In order to provide an enjoyable recreational experience and be inclusive, OPRD accepts all payment types from its customers.

While accepting credit and debit card payments is relatively safe, the paper checks are more risky. Even though every effort is made by the Department to mitigate this risk, some of the checks still end up in the Non-Sufficient Funds (NSF) group.

When processing check transactions, OPRD employees always insure that all checks are signed in view of the employee; are printed with the name and address of the issuer; the address is located inside the United States; and the name, address and signature match the customer's driver's license or state ID.

In other cases, a check is put into a self-registration envelope that is dropped into an "iron ranger" box at park locations by park visitors without an OPRD employee present.

A paper check takes up to a few days to clear the bank. Frequently, when the check is identified as NSF, which constitutes the majority of OPRD's accounts receivable, the service has already been provided or a sale has already been made; therefore, no recourse option is possible. OPRD has no leverage on the debtor to induce payment. During calendar year 2017, OPRD received a total of 18,920 checks; 183 of them were NSF checks, 90% of which were assigned for external collections.

When the customer's contact information is available, OPRD sends a collection letter to the debtor requesting payment of the debt which includes a \$25.00 return check fee. The success rate is approximately 5-10%. Other collection methods, like collection calls, are also used without a measurable success.

OPRD has limited resources to collect debt. We believe that with DOR-OAA centralization of debt collection process for liquidated and delinquent accounts will be more streamlined, simplified, and efficient benefiting the Department as well as the state of Oregon.

For more information, contact Sharrie Cripe at: Sharrie.Cripe@oregon.gov.