

Minutes Accounts Receivable Core Committee (ARCC)



Meeting Date: April 21, 2020 2:00pm-3:30pm

Location: Virtual meeting via AdobeConnect

**Attendees
by phone:**

Gerardo Aviles-Leon (CJC); Heidi Baker (DHS-OHA); Sheila Banke (DOJ); Brad Batchelor (PUC); Judy Bell (DOC); Jill Blackford (DOC); Mitch Breedlove (OBMT); Susan Cha (OCB); Dean Criscola (OED); Richard Dredge (DCBS); Marie Elkins (PERS); Todd Evans (DOR-OAA); Svetlana Fadden (DHS/OPAR); Jeff Fehl (DAS); Joseph Flager (ODF); Connie Flowers (ODE); Gerold Floyd (DAS-SWARM); Olga Fokina (OMB); Lane Foulger (DCBS); Theresa Gahagan (DAS-SWARM); Kimberly Hall (WRD); Teresa Haynes (OBD); Jennifer Hodgdon (Lottery); Darrick Holloway (OMD); Trinda Huffman (OMD); Caty Karayel (REA); Jeff Kidney (OED); Craig Kiernan (OHCS); Doug Kleeb (ODOT); Pam Lara (DSL); Sara Lotten (DOC); Katya Medvedeva (DAS); Rick Mills (DHS/OPAR); Darcy McCulloch (OSP); Monique Murphy (HECC); Sue Nunley (DOJ); Dora Olivan (DCBS); Joel Parks (BOA); Michael Pepler (ODOE); Lisa Pineda-Volk (DOR); Matt Powell (DPSST); Jill Reece (OYA); Erica Ross (OSP); Lyubov Salov (DAS); Michelle Short (ODOT); Roger Sponseller (Aviation); Julie Strauss (DHS/OHA); Amy Tennimon (DAS); Star Thompson (DSL); Paris Trippett (OSP); Susan Westin (OSL); Adam Wilson (OED).

ITEM	ACTION, DISCUSSION
Welcome and introductions	
SWARM announcements & other business	<ul style="list-style-type: none"> • To respond to questions SWARM has received related to A/R activities and COVID-19, we have created an FAQ. You'll find the A/R FAQs on the SWARM website here. <ul style="list-style-type: none"> ○ We will continue to update this document as additional questions come in so please check back frequently. If you have a question that is not on the FAQ, please send them to SWARM@oregon.gov or call your SWARM analyst. • Reminder: 3rd quarter ARPM reports are due 4/30/20. <ul style="list-style-type: none"> ○ If due to telecommuting (or other COVID-19 related activity) prevents your agency from meeting this deadline, please email SWARM@oregon.gov as soon as possible to request an extension. Include the reason and date by when you can provide the ARPM report.
A/R Honor Roll Results	<p>We are pleased to report that 80% of the total agencies tracked received the A/R Honor Roll for FY 2019 reporting. Honor Roll recipients are identified on the SWARM website: https://www.oregon.gov/das/Financial/Acctng/Pages/AR.aspx</p> <p>On the right hand side of the screen is a link for the 2019 Honor Roll Awards which provides an alphabetical list of agencies.</p>

Statewide Accounts Receivable Management

- [DISCLOSURES](#)
- [NEWS GROUPS](#)
- [OREGON ACCOUNTING MANUAL](#)
- [PUBLICATIONS](#)
- ▶ STATEWIDE ACCOUNTS RECEIVABLE MANAGEMENT**
- [STATEWIDE BALANCING REPORTS](#)
- [SUBRECIPIENT MONITORING](#)
- [SYSTEMS SECURITY](#)
- [TRAINING AND RESOURCES](#)
- [TRAVEL](#)
- [YEAR-END CLOSE](#)
- [VENDOR COORDINATION](#)

The Statewide Accounts Receivable Management (SWARM) team monitors state agency debt collection functions and assists state agencies in efforts to improve the collection of delinquent debts.

- Provide training on processing and managing accounts receivable.
- Offer technical assistance in resolving accounts receivable challenges.
- Develop performance standards for state debt collection.
- Identify and report important issues and significant trends in state debt collection practices.

For more information about accounts receivable management, please contact [SWARM](#). To receive notifications related to accounts receivable management, please subscribe to the [accounts receivable news list](#).

[Accounts Receivable FAQ related to COVID-19](#)

[SWARM upcoming events](#)

Date	Event	Time	Location
6/16/2020	ARCC meeting	2:00 p.m.	Exec. Bldg. Room B
6/18/2020	ARCC meeting	2:00 p.m.	Exec. Bldg. Room B

Quick links:

[Accounts receivable resources](#)

[A/R Honor Roll criteria](#)

[2019 Honor Roll Awards](#)

[SWARM contact list \(by agency\)](#)

Contact SWARM:

swarm@oregon.gov

gerold.floyd@oregon.gov
503-378-2709

theresa.m.gahagan@oregon.gov
503-373-0711

That website also includes a link to the SWARM Contact list, which includes a “blue ribbon” icon next to those agencies that received the Honor Roll for 2019.

A/R Contacts

Agency ID	Agency	Honor Roll 2019	SWARM Contact	Phone
100	Department of Human Services		Gerold Floyd	(503) 378-2709
	Contact	Phone	Ext.	Email
	Heidi Baker	(503) 945-6012		mailto:Heidi.Baker@dhsosha.state.or.us
	Julie Strauss	(503) 947-5125		mailto:Julie.STRAUSS@dhsosha.state.or.us
Agency ID	Agency	Honor Roll 2019	SWARM Contact	Phone
107	Department of Administrative Services		Theresa Gahagan	(503) 373-0711

The FY2020 Accounts Receivable Management Report submitted to the Legislative Assembly will also include a list of these agencies.

Congratulations to all the agencies who received this award for FY 2019!

The criteria to receive the Honor Roll for FY 2020 is available on our website.

DOR- RWO status

Todd Evans (from DOR-OAA) stated that for Executive Branch agencies only, DOR-OAA will recommend write-off and explained the circumstances when the RWO (Recommended for Write-Off) status will be used.

While several agencies have seen RWO status over the last 6 months, beginning in August, agencies will see a substantial increase in the RWO status on their Aging Reports when the accounts meets the following criteria:

1. When the combined assigned account balance from all agencies for a debtor, falls below \$25.
2. The account has been worked by DOR-OAA and two different PCF’s and no source of collection was identified.

- a. When DOR-OAA receives an account on assignment, they will work it for 1 to 6 months and when they no source of collection has been identified DOR-OAA assign the account to the first PCF, who has 12 months to obtain payment. If the first PCF is unsuccessful, the account is then assigned to the second PCF, who has 12 months to obtain payment. After the account has been through this entire 2+ year cycle, DOR-OAA will place the account on RWO status. (Note: DOR-OAA does not currently return accounts with RWO status to the agency.)
3. When a debtor is incarcerated for a period that is longer than the time it takes for the account to go through the entire 2+ year cycle (see #2 above).
 - a. This is for incarceration in a prison and does not include incarceration in a jail.
 - b. Incarceration can be confirmed at www.vinelink.com.

When an account is in RWO status it is still eligible for the following collection activities:

1. Offset;
2. Garnishment;
3. Voluntary payment plan; and
4. Twice a year OAA will mail the debtor a statement of account.

However, accounts with RWO status, will no longer be eligible for collection phone calls.

What actions will remove the RWO status?

1. A payment is made on the debt.
 - a. This includes voluntary payments as well as involuntary payments, as in when a payment occurs in response to a garnishment.
 - b. This does not include offsets.
2. A new debt is assigned to DOR-OAA for that debtor.

What actions will not remove the RWO status?

1. An offset payment is made on the debt.
2. Garnishment letter is sent.
3. Voluntary payment plan is established.
4. Telephone contact with the debtor occurs.

During the meeting, attending agencies raised several questions and concerns regarding the need to know the reason for the RWO status, to assist with the required coding in SFMA for an agency write-off or to provide to a federal agency for cost sharing purposes. At this time DOR does not have the ability to provide a status code on the Aging Report that provides the specific reason for RWO, however agencies may contact their DOR-OAA Account Tech @ OAA.accounttech3@oregon.gov or send a question through RevenueOnLine to obtain additional information regarding accounts in RWO status.

Some agencies reported that they partitioned accounts (that they have written-off) under a separate DOR-OAA program code.¹ As such, if the agency agrees with DOR-OAA's recommendation to write-off the account, they would recall the debt, write-off the account, and then reassign under their designated program code for accounts written-off. Todd recommended that before agencies recall their debt, it would be best if they talked with

¹ Note: Having a separate program code is especially helpful for agencies who deal with a large volume of accounts, since any payments received on accounts partitioned due to being previously written off, would act as a reminder that the agency needs to reverse that portion of the write-off when they receive payment. See OAM 35.50.10 paragraph 111.

	DOR-OAA first, just to confirm that OAA has no pending action (such as a garnishment order). If the agency recalled the debt after OAA had issued a garnishment order, OAA would need to return any payment received to the employer or bank on account of the underlying account being recalled.
PCF Contracts	DAS recently awarded new price agreements to six private collection firms (PCF). The old price agreements will expire on April 30, 2020. In the Spring edition of the SWARM newsletter, "The Buzz" there is an article that discusses the impacts to agencies based on the new collection firm price agreements. That article included a flowchart of those impacts. The flowchart was reviewed and the timeline for the transition was discussed.
LFO reporting change re: PCF activity for Executive Branch	As of FY2020 agencies will no longer need to breakout the accounts that DOR-OAA has forwarded to a PCF (or collections received) on their LFO report. Since accounts were reported as forwarded to a PCF during FY 2019, agencies will need to make entries in FY 2020 to show those accounts as returned to DOR. Sample entries for three different scenarios are provided in Appendix A below. Additional details about how to report these accounts will be provided during the LFO training later this summer.
CARES Act- Executive Order related to garnishment	<p>On April 17, 2020, Governor Brown issued Executive Order 20-18 that prohibited garnishment of CARES Act recovery rebates. The order instructs financial institutions to treat CARES Act funds in the same manner as federal benefit payments. There are exceptions for judgments in criminal actions with orders for restitution. In the event that Agencies who have issued garnishments to financial institutions and received payments, it is possible these payments may include CARES Act funds. In this scenario the debtor may submit a challenge to the agency's garnishment and provide evidence that the garnished funds included CARES Act rebates. If such evidence is provided the agency would be responsible to refund the garnished funds or portion of the funds that were CARES Act rebates. It is important to note that this Order does not prevent agencies from issuing garnishments.</p> <p>In addition, it is important to note that Governor Brown's order has no effect on Vendor Coordination.</p>
Survey on agency billing practices	SWARM reminded everyone that the survey on agency billing practices would be open until Friday the 24 th and a request to those who have not yet completed the survey, please do so as soon as possible.
Roundtable	<p>Tiffany Lane at DHS asked if an agency has been awarded restitution but has an administrative debt that wasn't included in the restitution if the agency can issue a garnishment on the administrative debt. Gerold stated that the answer would depend on whether the agency has warrant authority for the administrative debt. If a valid warrant has been issued then the debt subject to the warrant may be garnished.</p> <p>Svetlana Fadden at DHS asked a follow up question regarding whether a debt (overpayment) that was higher than the amount awarded in the restitution could still be garnished (this is separate than the situation above). Gerold suggested the agency seek clarification from DOJ on that topic, however, if the judge has issued a judgment on the case then the agency <u>might</u> not be able to pursue the amount above the judgment. (<i>This is just an opinion and is not considered legal advice</i>).</p> <p>Craig Kiernan at OHCS asked Todd for a status update on DOR-OAA recording liens for debts where OAA can issue a warrant. Todd didn't have information during the meeting. (SWARM will add this topic for the next ARCC meeting to provide Todd some time to get updated information.)</p>

	Julie Strauss at DHS/OHA asked Todd for a status update on their ability to manage cases that have filed a bankruptcy. Todd mentioned that there have been a couple cases of bankruptcy but he hasn't talked to the program manager about it for a couple of months. It was suggested that this be a topic for the next ARCC meeting, which will give Todd some time to get updated information.
Adjournment	The meeting was adjourned at 3:25 pm

Next meeting:

Tuesday, June 16, 2020

2:00pm – 3:30pm

Executive Building, Room B or remote via AdobeConnect if needed (TBD)

The SWARM website lists [Upcoming events](#).

Appendix A- Sample entries for three different scenarios, when Agencies have assigned debt to PCFs.

LFO Reporting Change for PCF Accounts Example #1
 Agency with ALL accounts assigned through DOR-OAA.

	2019		2020		
	# of Accounts	Value of Accounts	# of Accounts	Value of Accounts	
Section III a.					
Dept. of Revenue Collection (ORS 293.231)(Unrestricted Accounts)					
Beginning Balance	19	\$572,859	7	\$285,408	
Addition:	10	\$341,594	21	\$601,085	
Collections:	0	-\$20,508	0	\$0	
Accounts Satisfied	-1	\$0	0	\$0	
Forward to PCF	-21	-\$608,537	0	\$0	
Returned to Originating Agency	0	\$0	0	\$0	
Ending Balance	7	\$285,408	28	\$886,493	
DOR Collection Fees					
Collection Fees Paid by Debtors	2	\$109	0	\$0	Entry to move ALL the accounts from Section IIIb to Section IIIa
Collection Fees Paid by Originating Agency	2	\$3,973	0	\$0	
Section III b.					
Private Collection (ORS 293.231)					
Beginning Balance	0	\$0	21	\$601,085	
Addition:	21	\$608,537	0	\$0	
Collections:	0	-\$7,452	0	\$0	
Accounts Satisfied	0	\$0	0	\$0	
Return to DOR	0	\$0	-21	-\$601,085	
Returned to Originating Agency	0	\$0	0	\$0	
Ending Balance	21	\$601,085	0	\$0	Ending balance is \$0 since no accounts were assigned prior to centralization
Private Collection Fees					
Collection Fees Paid by Debtors	0	\$0	0	\$0	
Collection Fees Paid by Originating Agency	4	\$1,253	0	\$0	

LFO Reporting Change for PCF Accounts Example #2
 Agency with some accounts assigned through DOR-OAA, and some accounts assigned by the agency prior to centralization.

	2019		2020		
	# of Accounts	Value of Accounts	# of Accounts	Value of Accounts	
Section III a.					
Dept. of Revenue Collection (ORS 293.231)(Unrestricted Accounts)					
Beginning Balance	19	\$572,859	18	\$588,463	
Addition:	10	\$341,594	10	\$305,482	
Collections:	0	-\$20,508	0	\$0	
Accounts Satisfied	-1	\$0	0	\$0	
Forward to PCF	-10	-\$305,482	0	\$0	
Returned to Originating Agency	0	\$0	0	\$0	
Ending Balance	18	\$588,463	28	\$893,945	
DOR Collection Fees					
Collection Fees Paid by Debtors	2	\$109	0	\$0	Entry to move only the accounts from Section IIIb to Section IIIa that were forwarded to the PCF by DOR-OAA
Collection Fees Paid by Originating Agency	2	\$3,973	0	\$0	
Section III b.					
Private Collection (ORS 293.231)					
Beginning Balance	25	\$482,431	35	\$777,350	
Addition:	10	\$305,482	0	\$0	
Collections:	0	-\$10,563	0	\$0	
Accounts Satisfied	0	\$0	0	\$0	
Return to DOR	0	\$0	-10	-\$305,482	
Returned to Originating Agency	0	\$0	0	\$0	
Ending Balance	35	\$777,350	25	\$471,868	The ending balance is only those accounts assigned prior to centralization
Private Collection Fees					
Collection Fees Paid by Debtors	0	\$0	0	\$0	
Collection Fees Paid by Originating Agency	4	\$1,253	0	\$0	

LFO Reporting Change for PCF Accounts Example #3
 Agency with ALL accounts assigned by the agency prior to centralization.

	2019		2020		
	# of Accounts	Value of Accounts	# of Accounts	Value of Accounts	
Section III a.					
Dept. of Revenue Collection (ORS 293.231)(Unrestricted Accounts)					
Beginning Balance	19	\$57,859	28	\$86,945	
Addition:	10	\$31,594	0	\$0	
Collections:	0	-\$2,508	0	\$0	
Accounts Satisfied	-1	\$0	0	\$0	
Forward to PCF	0	\$0	0	\$0	
Returned to Originating Agency	0	\$0	0	\$0	
Ending Balance	28	\$86,945	28	\$86,945	
DOR Collection Fees					
Collection Fees Paid by Debtors	2	\$27	0	\$0	
Collection Fees Paid by Originating Agency	2	\$450	0	\$0	
Section III b.					
Private Collection (ORS 293.231)					
Beginning Balance	21	\$608,537	21	\$601,085	
Addition:	0	\$0	0	\$0	
Collections:	0	-\$7,452	0	\$0	
Accounts Satisfied	0	\$0	0	\$0	
Return to DOR	0	\$0	0	\$0	
Returned to Originating Agency	0	\$0	0	\$0	
Ending Balance	21	\$601,085	21	\$601,085	
Private Collection Fees					
Collection Fees Paid by Debtors	0	\$0	0	\$0	
Collection Fees Paid by Originating Agency	4	\$1,253	0	\$0	

Since ALL accounts at the PCF were assigned prior to centralization and NO accounts have been forwarded by DOR-OAA, there is no movement of accounts required between Section IIIb and Section IIIa.