

# STATEWIDE ACCOUNTS RECEIVABLE MANAGEMENT



# The Buzz

## SWARM Team News

During the winter months Gerold and Stacey were focused on preparing and publishing the *Statewide Accounts Receivable Management Report* for fiscal year 2018. With spring just around the corner, the bees are already buzzing in the hive working on projects for the upcoming year.

Please note the following *hivelihoods* for statewide accounts receivable professionals to be aware of:

1. The Accounts Receivable Core Committee monthly meetings were moved to the third Tuesday of each month. For more information, please visit the [SWARM webpage](#) for a list of SWARM upcoming events.
2. SWARM is tracking legislative activity related to statewide debt collection; detailed updates are provided monthly at the ARCC meeting. For more information, please send an email to: [SWARM@oregon.gov](mailto:SWARM@oregon.gov).
3. Eligibility for the Accounts Receivable (A/R) Honor Roll is already underway with fiscal year 2019 activity. Agencies are encouraged to monitor the [schedule of key dates](#) impacting A/R Honor Roll eligibility to ensure applicable reports are submitted timely and accurately by the blue ribbon date.

In late February, Stacey accepted the Senior Financial Reporting and Policy Analyst position within the Department of Administrative Services (DAS) Statewide Accounting and Reporting Services section. Her new duties began March 1, but she will continue to assist in the hive as needed until her successor is hired.

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### OAM Chapter 35 Update

As referenced in the Winter 2018 edition of *The Buzz*, the Policy Development and Review Subcommittee worked diligently throughout 2018 to update all of the Oregon Accounting Manual (OAM) Chapter 35 policies. [OAM 35.30.30](#), the policy that defines liquidated and delinquent, was posted to the [OAM webpage](#) for a two week comment period in January. No significant comments were received. The policy is currently pending final approval.

Additionally, three new OAM Chapter 35 policies were drafted and will be posted on the [OAM webpage](#) for a two week comment period during the next quarter. The draft policies include guidance pertaining to:

- The use of social security numbers for debt collection purposes
- Servicemembers Civil Relief Act
- Bankruptcy

Once the draft policies associated with the use of social security numbers for debt collection purposes and the definition of liquidated and delinquent are approved, Oregon Administrative Rule Chapter 122, Division 85 will be modified to incorporate applicable changes. For more information, please send an email to: [SWARM@oregon.gov](mailto:SWARM@oregon.gov).

## Dept. of Revenue: Other Agency Accounts

The Department of Revenue Other Agency Accounts (DOR-OAA) unit is pleased to report that the unit's full collection services are up 31% percent over prior year collections. Also, as of the end of January, a total of 7,087 debts have been delivered to DOR-OAA contracted private collection firms (PCFs). It's relatively early in DOR-OAA's use of this new model of PCF management, but debts DOR-OAA delivered to PCFs have contributed an additional \$166,644 in collection revenues through January 2019.

What's next for DOR-OAA?

DOR-OAA completed its final stage of Senate Bill 1067 implementation in January 2019. New and enhanced services include:

- Processing of debts involving bankruptcy: DOR-OAA has historically returned debts to the referring agency if the debtor files bankruptcy. DOR-OAA is launching a pilot project, with a few select agencies, relating to DOR-OAA bankruptcy services. The unit will be evaluating the effectiveness of DOR-OAA handling the coordination of proof-of-claim submissions, monitoring of debts during the bankruptcy action, and the pursuit of additional collections, if warranted, following the conclusion of the bankruptcy action.
- Docketing of warrants: With new system functionality in place, DOR-OAA is able to "docket" or record a collection warrant with an Oregon county. This action enables DOR-OAA to place a lien on real property assets owned by debtors. Limited numbers and types of debts will be selected for this pilot project. DOR-OAA will reach out to agencies directly if debts meet the criteria to be included in the pilot of this new service.
- Report updates: DOR-OAA continues to enhance the system's reporting function to support the timely delivery of accurate and useful collection information to client agencies. The information agencies see on Revenue Online now includes which PCF the debt is assigned to and access to view an indicator if the debtor is in bankruptcy.

DOR-OAA continues to pursue efficiencies and enhancements. Agency input and partnership is critical to DOR-OAA improvement efforts. If there are services agencies would like DOR-OAA to consider providing, or if agencies have ideas for improvements, please contact Todd Evans, DOR-OAA's Operations Manager, at (503) 945-8101 or [todd.evans@oregon.gov](mailto:todd.evans@oregon.gov).

## Reporting Private Collection Firm Activity

Effective July 1, 2018, liquidated and delinquent account assignments associated with Executive Branch agencies, excluding semi-independent agencies, were centralized at DOR-OAA. As a result, accounts assigned for collection will be managed by DOR-OAA throughout the collection lifecycle, which includes assignment to PCFs as required by ORS 293.231.

Agencies receive monthly activity reports from DOR-OAA and PCFs which document the liquidated and delinquent account activity for the period. As part of debt centralization, DOR-OAA modified the monthly reports for agencies to include collection activity for both DOR-OAA and accounts assigned to PCFs by DOR-OAA.

Understanding that some liquidated and delinquent accounts were assigned to a PCF prior to July 1, agencies must track PCF activity using reports provided by PCFs and reports provided by DOR-OAA. The PCF data must then be aggregated for annual reporting to the Legislative Fiscal Office (LFO).

To assist agencies in identifying what components must be tracked, below are screen shots of the applicable account assignment sections referenced on the LFO reporting website:

### Section III a. *(Refer to instructions for section III)*

Note: Use Whole Dollars. Do not use Dollar signs, commas or periods between the numbers .....(eg. \$1,234 should be entered as 1234)

Dept. of Revenue Collection (ORS 293.231)(Unrestricted Accounts)	[A] Number Of Accounts	[B] Dollar Value(\$)
Beginning Balance	0	0
Addition:	0	0
Collections:		(0)
Accounts Satisfied	(0)	
Forward to PCF	(0)	(0)
Returned to Originating Agency	(0)	(0)
<b>Accounts Outstanding</b>	0	0
<b>DOR Collection Fees</b>	[A] Number Of Accounts	[B] Dollar Value(\$)
Collection Fees Paid by Debtors	0	0
Collection Fees Paid by Originating Agency	0	0

### Section III b. *(Refer to instructions for section III)*

Private Collection (ORS 293.231)	[A] Number Of Accounts	[B] Dollar Value(\$)
Beginning Balance	0	0
Addition:	0	0
Collections:		(0)
Accounts Satisfied	(0)	
Return to DOR	(0)	(0)
Returned to Originating Agency	(0)	(0)
<b>Accounts Outstanding</b>	0	0
<b>Private Collection Fees</b>	[A] Number Of Accounts	[B] Dollar Value(\$)
Collection Fees Paid by Debtors	0	0
Collection Fees Paid by Originating Agency	0	0

Additional information will be discussed at the LFO reporting training later this summer.

## ARPM Reporting

The accounts receivable performance measure (ARPM) reports for the quarter ending March 31 are due to SWARM by April 30. All Executive Branch agencies as well as agencies subject to the OAM are required to submit the quarterly ARPM reports.

The purpose of the ARPM reports is to assist agencies with monitoring and managing accounts receivable activity. Please refer to [OAM 35.60.20](#) for a definition of accounts receivable as it applies to reporting ARPM data.

For quarterly ARPM reporting, agencies are only required to submit data associated with the two quarterly ARPMs described in [OAM 35.60.20](#):

- Total receivable collections
- Receivables over 90 days past due as a percentage of total A/R

The [reporting template](#) includes tabs for all quarterly and annual ARPMs; however, agencies only need to submit data associated with the tabs entitled *collections* and *90 days past due* quarterly.

For more information, please send an email to: [SWARM@oregon.gov](mailto:SWARM@oregon.gov).



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**Special thanks to:**

Todd Evans, Department of  
Revenue Other Agency Accounts

Brad Cunningham, Department  
of Administrative Services



## Department of Administrative Services

One of the many roles of the Department of Administrative Services (DAS) is to provide a wide variety of services to other state agencies. DAS distributes invoices for approximately 30 service types including: motor pool; publishing and distribution; state data center; facilities rent; maintenance; and procurement. Interagency invoicing represents the bulk of DAS accounts receivable; however, DAS also invoices approximately 80 statewide vendors for the quarterly vendor collected administrative fees (VCAF).

Invoices are generated using a variety of subsystems with various methods of transmitting the data into the Statewide Financial Management Application (SFMA). Frequently recurring invoices, which represent a large volume, are interfaced into SFMA. These include charges associated with the state data center; publishing and distribution; and motor pool. Nearly all other invoicing data is entered via a macro into SFMA from Excel templates, to minimize hand entry into SFMA; however, invoices still have to be hand created in many cases. A very small quantity of invoices are hand entered into SFMA.

DAS monitors outstanding invoices using an IR Studio aging report that extracts information from the datamart. As per [OAM 35.70.10](#), agencies are required to pay interagency invoices within 30 days. When outstanding balances are not handled timely by the agency accounting teams, DAS follows the progressive actions provided in [OAM 35.70.10](#) and reaches out to agency chief financial officers and/or agency directors to request payment of the outstanding debt.

Since agencies cannot send another state agency to DOR-OAA for collections, DAS actually has very little outstanding debt assigned to DOR-OAA. However, as per the accounts receivable reporting requirements, DAS must report all outstanding liquidated and delinquent account activity which includes debt owed by state agencies.

DAS continually strives to create the best accounts receivable practices possible and hopes to implement a process soon that will automatically macro an Excel invoicing data file into SFMA, create a physical invoice, and archive the data.

For more information, please contact Brad Cunningham at 503-378-3553 or [Brad.Cunningham@oregon.gov](mailto:Brad.Cunningham@oregon.gov).