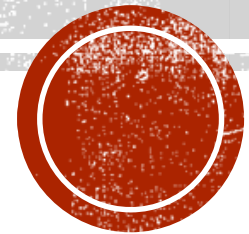


SB 1067 COLLECTION CENTRALIZATION CLIENT AGENCY TRAINING

May 16, 2018



OVERVIEW

- New OAA client agency agreements
- Transition to SB 1067 configuration
- Debt file exchange overview (XML, CSV, etc.)
- Reduction of minimum debt amount allowed for assignment
- Private collection firm (PCF) assignments
- Changes to reporting
- Changes to Revenue Online



NEW OAA CLIENT AGENCY AGREEMENTS

- Service agreements are being replaced with service statements.
 - Signatures will no longer be required.
 - Scope of content is the same; provides broad overview of procedures, requirements and expectations.
- Only applies to agencies subject to ORS 293; all other agencies will retain their existing service agreements (even if “opting in” to SB 1067 services).



TRANSITION TO SB 1067 CONFIGURATION

- To take advantage of the new automatic cost of collection assessment feature, agencies will need to assign debt to a newly created program code with this feature enabled.
 - Debt assigned under an existing program code must be recalled and reassigned under the new program code; otherwise, cost of collection will not automatically be assessed against the debtor as payments are received.
- In June, OAA will send a one-time notice to all existing debtors that warns of the possibility of assignment to PCF.
- New OAA demand letters issued after July 1, 2018 will include information covering automatic cost of collection assessment and PCF assignment.



DEBT FILE EXCHANGE OVERVIEW (XML, CSV, ETC.)

Type	Transfer Method(s)	Report Format(s)	Notes
XML	System-to-system FTP	XML (can additionally receive legacy CSV)	Most compatible with OAA's current system; large number of defined fields for attributes such as DOB, driver's license, etc.
Revenue Online web form	Revenue Online	CSV	Same benefits as XML; great for lower volume programs
Legacy CSV	System-to-system FTP or Revenue Online	CSV	Superior of the two legacy plain-text formats; should only be used if XML/ROL web form methods are not viable due to volume or resource limitations
Legacy fixed-width	System-to-system FTP or Revenue Online	CSV	Should only be used if absolutely necessary



REDUCTION OF MINIMUM DEBT AMOUNT ALLOWED FOR ASSIGNMENT

- For most programs, full collect minimum is currently \$50.00 and offset only minimum is currently \$25.00.
- Effective July 1, 2018, minimum will be \$25.00 for all agencies subject to ORS 293 and agencies “opting in” to SB 1067 services.
 - All other agencies will retain the \$50.00 full collect minimum.



PRIVATE COLLECTION FIRM (PCF) ASSIGNMENTS

- Maximum consecutive “no-activity” time limits:
 - OAA – 6 months
 - PCF #1 – 12 months
 - PCF #2 – 12 months
 - Return to OAA as uncollectible; recommendation for write-off
- Payments received (including payment advices) while a debt is assigned to PCF will incur collection fees at the PCF rate instead of the OAA rate.
 - The does not include offsets from DOR refunds, which will always incur fees at the OAA rate regardless of whether or not the debt is assigned to PCF.



CHANGES TO REPORTING

- Transactions & balances will be split out into principal/penalty/interest amounts on all reports (except CSV Zero).
- CSV Aging will provide remaining unpaid cost of collection balance (if passing cost of collection) and whether or not a debt is currently assigned to PCF.
- CSV Stat will include a new action code that will indicate when a debt has been assigned to PCF.
- CSV Payment will include a new payment type for payments made while the debt is assigned to PCF.
- CSV Zero will include a new column that indicates whether or not an assignment was cancelled or paid in full.
- No changes to reports for offset only programs.
- Specific details on changes will be provided in a new set of client agency guide documents that will be distributed before July 2018.



CSV AGING

(passing cost of collection)

ProgramCode	Name	YRPL	BIN	TransDate	Principal	Penalty	Interest	Fee	Balance	AgencyId	Month	Year	Status
7XX	SMITH, JOE	0	0	8/7/2017	500	50	0	97.06	647.06	D2953-03	7	2018	
7XX	ROBERTS, JANE	216101	0	10/3/2016	287	0	0	85.73	372.73	D1355-01	7	2018	At PCF
7XX	ABC BUSINESS INC	0	0	9/20/2017	7832	245	0	1425.35	9502.35	D9881-01	7	2018	

(not passing cost of collection)

ProgramCode	Name	YRPL	BIN	TransDate	Principal	Penalty	Interest	Fee	Balance	AgencyId	Month	Year	Status
7XX	SMITH, JOE	0	0	8/7/2017	500	50	0	0	550	D2953-03	7	2018	
7XX	ROBERTS, JANE	216101	0	10/3/2016	287	0	0	0	287	D1355-01	7	2018	At PCF
7XX	ABC BUSINESS INC	0	0	9/20/2017	7832	245	0	0	8807	D9881-01	7	2018	



CSV STAT

ActionCode	PrgmCode	Name	YRPL	PostDate	Tax	Penalty	Interest	BIN	ReturnCode	AgencyId	Month	Year
A	7YY	FOLLES, WIEGRAF	0	7/9/2018	4480	295	0	0		CB-1-835	7	2018
C	7YY	FOLLES, MILLEUDA	0	7/28/2018	302.5	0	0	0	875	CB-2-263	7	2018
T	7YY	OAKS, AGRIAS	0	7/25/2018	782.15	0	0	0		LG-1-732	7	2018



CSV PAYMENT

(passing cost of collection)

ProgramCode	Name	YRPL	BIN	TransDate	PayAmt	Principal	Penalty	Interest	CollFee	DistAmt	TypeCode	AgencyId	PayType	Month	Year
1532	GOLDSTEIN, ALPHONSE	0	0	7/14/2018	7200	5606.8	0	513.23	1080	6120	P	1A3062AG	PMT	7	2018
1532	ANDERSON, RAY O	0	0	7/9/2018	50	0	39.5	0	10.5	39.5	T	1A6539RA	PCFP	7	2018
1532	BROWN, AGATHA	0	0	7/22/2018	500	367.72	25	32.28	75	425	P	0A2876AB	OFFS	7	2018

(not passing cost of collection)

ProgramCode	Name	YRPL	BIN	TransDate	PayAmt	Principal	Penalty	Interest	CollFee	DistAmt	TypeCode	AgencyId	PayType	Month	Year
1532	GOLDSTEIN, ALPHONSE	0	0	7/14/2018	7200	6686.8	0	513.23	1080	6120	P	1A3062AG	PMT	7	2018
1532	ANDERSON, RAY O	0	0	7/9/2018	50	0	50	0	10.5	39.5	T	1A6539RA	PCFP	7	2018
1532	BROWN, AGATHA	0	0	7/22/2018	500	442.72	25	32.28	75	425	P	0A2876AB	OFFS	7	2018



CSV ZERO

ProgramCode	Name	YRPL	BIN	TransDate	Balance	AgencyId	Month	Year	ActionCode
7XZ	BURTON, RICK L	0	0	7/31/2018	0	999323236	7	2018	C
7XZ	GOMEZ, ANDREA	0	0	7/31/2018	0	999163323	7	2018	C
7XZ	XYZ CORPORATION	212126	0	7/15/2018	0	909167323	7	2018	F



CHANGES TO REVENUE ONLINE

OAA Unrestricted

Welcome, test test Settings Log Out

Home > OAA Unrestricted

Account

OREGON DEPARTMENT
00000-00000
OAA Unrestricted
COURT COUNTY CIRCUIT
0000
Balance: \$0.00

Account Alerts

There are 392 unread messages

I Want To

Send debt file to DOR
Send a message
Submit documents

Debits

Activity Center

Use any of the fields below to search for debt that has been assigned to the Department of Revenue for collections.
To submit an additional debt to the Department, please use the "Add a New Debt" button below.

Add a New Debt

Parameters

Search

Name

Agency Identifier

Tax Identifier

Registration Debts

Filter

Agency Account Number	Debt Id	Tax Identifier	Debtor Name	YRPL	Collection Agency	Principal	Penalty	Interest	Total	Current Balance	
99512			ANA WATER	000000		532.00	0.00	0.00	532.00	532.00	View/Edit
45611122			CHRISTINA PEZ	000000		232.60	0.00	0.00	232.60	232.60	View/Edit
555000			SHAWN HAM	000000	Premiere Credit of N. America	800.21	0.00	0.00	800.21	800.21	View/Edit
226111.			TROY RAN	000000	Account Control Technology	212.85	0.00	0.00	212.85	212.85	View/Edit
17512JOS			TROY RAN	000000	Account Control Technology	1,302.00	0.00	0.00	1,302.00	1,302.00	View/Edit



CHANGES TO REVENUE ONLINE (CONT'D)

1. OAA Debt

OAA Debt

Debtor Type

Business

Individual

Person's Information

First name

Middle initial

Last name

 Required

AKA

SSN/ITIN

Date of birth

FEIN

Driver's license

OREGON

Agency program

07XX

Phone Numbers

Current Address

Address Effective

☐

Is there previous address information?

Street

 Required

Street 2

Unit Type

Unit

City

 Required

State

OR - OREGON

ZIP

 Required

[Click Here to Verify Address](#)

Address must be verified

Debt Information



SB1067 — DEBT CENTRALIZATION

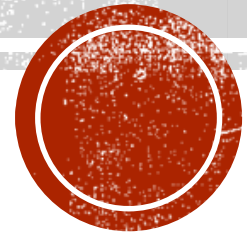
MAY 16, 2018

Gerold Floyd

Department of Administrative Services

Chief Financial Office

Statewide Accounts Receivable Management



AGENDA

- What is Centralization?
- Policy updates
- How to maximize the benefits from using Department of Revenue (DOR)
- Collection fees, how to reduce agency costs
- What do you need to do now?
- Agencies responsibilities
- Future enhancements
- LFO reporting changes



WHAT IS CENTRALIZATION?

- SB1067 included changes to the collections process for executive branch agencies including:
 - Assignment of liquidated and delinquent debt is now made to the Department of Revenue (DOR) only.
 - Authorized/required DOR to assign debts to private collection firms (PCF).
 - Centralization streamlines processes for agencies by only requiring one assignment.
 - Centralization allows DOR to better manage inventory through outsourcing to private collections. (Accounts assigned to a PCF prior to July 1, 2018 will be allowed to remain at those vendors for the period of time indicated in your agency purchase order period)
 - Centralization allows for multiple debts owed by the same debtor to be worked by a single collection entity once assigned.



POLICY UPDATES

- SB1067 made significant changes to how Executive Branch agencies use third party collections. As a result there are multiple Oregon Accounting Manual (OAM) updates that are required.
- OAM Chapter 35 is being reviewed and updated to reflect the changes from SB1067 which are effective July 1, 2018. As policies are updated they will be posted on the OAM website for agency comment:
<http://www.oregon.gov/das/Financial/Acctng/Pages/oam.aspx>
- These changes focus on the updates related to assignments to DOR and the new requirements for DOR to assign to a PCF.



MAXIMIZING BENEFITS FROM DOR

- Ensure timely assignment by your agency (EO 17-09 requires assignment within 60 days for Executive branch agencies), if a debtor has not responded to your letters and attempts to call then the account should be forwarded as early as possible.
- Review agency practices to ensure adequate information is provided to DOR. The more information the better DOR and the PCF can do to collect from the right debtor and not waste time and resources (Full name, address, DOB, SSN *if disclosure has been given*, drivers license, etc.).
- Consider using XML assignment format to assign accounts. This can help to reduce errors due to missing data. Additional elements and enhancements are available with XML (e.g.: debt incurred date) that will not be provided with older formats. Contact DOR technical support for more information.
- Agencies can focus efforts on newer accounts to improve collections and possibly prevent future delinquencies.



COLLECTION FEES

- ORS 293.231 (10)(a) allows a state agency to pass the cost of collection to the debtor with proper notice (refer to OAM 35.40.10).
 - Existence of the debt
 - The account may be referred to DOR for collection
 - The amount of the fee (or a percentage) that may be added to the debt
- Other public bodies (besides state agencies as defined for ORS 293.231) may pass the cost of collection under ORS 697.105.
- Unless a federal program restricts the ability to pass the cost of collection to the debtor, it is highly recommended that agencies incorporate the required notification into their collection process and use this available tool.
 - When faced with the possibility of an increasing debt, there are some debtors who will make arrangements to pay the current balance even if under a payment plan.



WHAT DO YOU NEED TO DO NOW?

- Complete the updated agency information for the new agreements with DOR (including existing program codes).
- If your agency passes the cost of collection, establish a program code with DOR for future assignments to automatically maintain the fee balance.
- If accounts assigned previously had a manually calculated collection fee, the agency may recall and reassign to use the new system calculated fee balance. Each account should be reviewed for past payment history, if a payment plan or garnishment is in place it is NOT recommended to recall and reassign as those would be broken. Contact DOR staff to confirm prior to recall.
- If your agency is going to START passing the collection fees, modify your collection letters now so that the statutory notice has been completed on debts that will be assigned after July 1. Establish a program code with DOR for passing the fees to the debtor.
- All debtor correspondence that references assignment to collection should be updated to refer to assignment to the Department of Revenue (Executive branch agencies).
- Maintain existing agreements with a PCF for accounts assigned prior to July 1, 2018.



AGENCIES RESPONSIBILITIES

- **Bankruptcy cases-** If an agency receives a notice that a debtor has filed for Bankruptcy the agency is responsible to notify DOR and/or the PCF of the filing.
- **Debtor contacts agency-** For accounts that are assigned to DOR, or subsequently forwarded to a PCF the debtor should be directed to contact them directly. Agencies may answer questions about what created the debt, but staff should not engage in negotiation of payment plans.
- **Direct payments to agency-** If a debtor makes payment direct to the agency the agency MUST provide notice to DOR within one business day. This is to ensure proper balances are maintained and avoid over collection via enforcement or offset.
- **Disputed debts-** If the debt assigned is not due to a judgment, warrant or administrative proceeding and the debtor disputes the debt, the assigning agency is responsible for reviewing the dispute and providing DOR with a determination of findings within 30 days.
- **Reconcile accounts-** Agencies are responsible to reconcile accounts with DOR and make necessary adjustments via Revenue OnLine.



FUTURE ENHANCEMENTS

- The changes in OAA operations and technology discussed here today are those specific to the statutory changes made in SB1067. The efforts made to date have been to ensure DOR is compliant with those statutory requirements.
- Future efforts will focus on enhancing the services available from DOR, new collection tools/services and improvements to technology to provide better customer service.
 - New collection opportunities
 - Streamlining services
 - Bankruptcy monitoring/collection
 - Revenue OnLine enhancements for customer interaction
- SWARM will send agencies updates on progress made to these enhancements after July 2018.



LFO REPORTING CHANGES

- Beginning with FY2018, the LFO reporting website will be updated with the following new data elements:
 - Section II, Unassigned Accounts/Doubtful Accounts-
 - Total Unassigned, Non-exempt Accounts- This is the ending balance of Section II, less the ending balance of Sections IIIa, IIIb, and Section V.
 - Unassigned, non-exempt accounts with no payments over 90 days- Of the amount reported above, this is those accounts that have not had a payment for more than 90 days and has NOT been assigned. (Previously recorded in the notes)
 - Doubtful accounts- Of the ending balance reported in Section II, the accounts that are deemed doubtful to collect (guidance to be provided in reporting manual).
 - Section IIIa. Dept. of Revenue Collection-
 - Forward to PCF- Accounts that are forwarded to a PCF by DOR (beginning FY2019)
 - DOR collection fees- Agencies will be required to report Collection Fees paid by the agency and those paid by the debtor.



LFO REPORTING CHANGES

- Section IIIb. Private Collection-
 - Return to DOR- Accounts returned by the PCF to DOR (beginning FY2019)
 - PCF collection fees- Agencies will be required to report Collection Fees paid by the agency and those paid by the debtor.
- Section IIIc. Accepted Offers of Compromise for Settlement of Debts-
 - This section is completely new and includes the following items:
 - Original debt- Total due when debt was established (not the balance at the time of the settlement arrangement)
 - Penalties and Interest- Total accumulated during the time of collection.
 - Collection Fees- Collection fees due if passed to the debtor.
 - Other fees/charges/adjustments/prior payments- Includes adjustments/corrections
 - Total Debt- Total amount owed to the state at the time of the compromise/settlement
 - Net Settlement Received- Total money paid by the debtor as agreed to in the compromise/settlement.



LFO REPORTING CHANGES

- Collections on Accounts due to Offset
 - Federal Treasury Offset Program- Amounts offset from Federal Treasury programs.
 - State of Oregon Vendor Offset Program- Amounts collected by offsetting vendor payments within an agency or through DOR garnishment of State payments to vendors that owe a state debt.
 - State of Oregon Tax Offset Program- Oregon tax refund offset, both restricted and unrestricted programs.



QUESTIONS?

- Policies-
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Gerold.Floyd@Oregon.gov
 - Stacey Chase 503-947-8567 Stacey.A.Chase@Oregon.gov
- Department of Revenue
 - Todd Evans, OAA Operations Manager 503-945-8101 Todd.Evans@Oregon.gov
 - Technical/How to- DOR Technical team- oa.technicalhelp@oregon.gov

