

Minutes

Accounts Receivable Core Committee



Meeting Date: July 19, 2017 2:00pm-3:00pm

Location: Executive Building, Conference Room A

Attendees: Sheila Banke (DOJ), Steven Berrios (OED), Stacey Chase (DAS-SWARM), Todd Evans (DOR-OAA), Svetlana Fadden (DHS-OPAR), Lane Foulger (DCBS), Kimberly Hall (WRD), Caty Karayel (REA), Craig Kiernan (OHCS), Ruth Kirksey (ODOT), Doug Kleebe (ODOT), Erin McDaniel (DOJ-DCS), Scott McGlasson (PCF-LGBS), Katya Medvedeva (DAS), Christine Nielsen (DHS), Sue Nunley (DOJ), Dora Olivan (DCBS), Michelle Short (ODOT), Coral Smith (DHS), Julie Strauss (DHS/OHA), Jason Werner (DOJ-DCS), Stella Wescott (ODE), Karla Willmschen (SOS), Dana Zeimantz (CCB)

Attendees by phone: Jon Bickler (OSU), Jennifer Hodgdon (OSL), Tammie Nelson (OSL)

ITEM	ACTION, DISCUSSION
Welcome and introductions	Scott McGlasson of Linebarger, Goggan, Blair & Sampson (LGBS), one of the 11 state contracted private collection firms, visited Oregon to learn more about our state government debt collection processes and the impact of recent legislation to state agencies and the contracted private collection firms. Due to the timing of his visit, SWARM welcomed Scott to attend the monthly ARCC meeting.
SWARM updates <ul style="list-style-type: none">- Legislative update- Write off reporting	<p><u>Legislative update</u></p> <p>Stacey provided an update of the bills SWARM was tracking during the 2017 Legislative Session. A copy of the bill status tracking document will be distributed with the meeting minutes. The document includes a list with each bill, title, summary and status as of the close of session.</p> <p>Key bills to note: <u>HB 2947</u> – Passed. Operative January 1, 2018. Requires DAS to report annually to the Legislative Assembly the amount of liquidated and delinquent debt that was:</p> <ol style="list-style-type: none">1. Written off by state agencies,2. Abated by state agencies, and3. Canceled by the Department of Revenue. <p>In addition, the bill requires state agencies to certify to DAS that the debts were written off, abated and canceled in accordance with applicable statutes and rules.</p> <p>SWARM will write policies to implement the provisions of HB 2947; including, but not limited to, providing a form for agencies to submit the annual certification.</p>

	<p><u>SB 1067</u> – Passed. Sections relating to Debt Collection Practices become operative July 1, 2018. Requires all liquidated and delinquent accounts to be assigned to Department of Revenue (DOR) no later than 90 days from the date the account became liquidated and delinquent or 90 days from the date of the last payment on the account. Requires DOR to assign accounts that have not received a payment within six months to a private collection firm (PCF) on behalf of the originating agency. Requires state agencies with liquidated and delinquent balances of \$50 million or more to provide a separate report to the Legislature. Authorizes state agencies to request a social security number (SSN) voluntarily for purposes of debt collection when proper notification is provided to the debtor at the time the SSN is collected.</p> <p>SWARM will write an Administrative Rule for implementation of the SSN portion of SB 1067.</p> <p><u>Write-off reporting</u></p> <p>In concert with the passage of HB 2947, SWARM would like to include in the annual report to the Legislative Assembly the criteria in which accounts were written off (i.e. deceased debtor). The HB 2947 reporting requirement will not take effect until the FY 2018 reporting period; however, we would like to begin discussions related to agencies abilities to collect the reasons for write-off. For example, SWARM has reached out to DAS Financial Business Systems (FBS), the program that manages the Statewide Financial Management Application (SFMA), to identify a process for agencies to enter the reason an account is being written off at the time the write-off transaction is entered (i.e. using a unique object code).</p> <p>Concerns were raised about the financial impacts associated with programming systems to collect and report the purpose for write-off. Agencies specifically concerned include Oregon Employment Department (OED), Department of Justice-Division of Child Support (DOJ-DCS), Department of Human Services (DHS) and Oregon Health Authority (OHA).</p>
Centralization implementation	<p>SWARM and DOR had a preliminary meeting to discuss the flow of liquidated and delinquent accounts in a centralized environment. Gerold prepared a draft flowchart and presented it to DOR representatives for review. Once a process is agreed upon, SWARM will schedule a meeting with the Centralization Workgroup to discuss next steps.</p> <p>If you are interested in participating in the Centralization Workgroup, please send an email to: SWARM@oregon.gov.</p>

<p><u>Executive Order (EO) 17-09</u></p> <ul style="list-style-type: none"> - Report to DAS due 6/30/17 - Vendor coordination - Quarterly reporting 	<p><u>Report to DAS</u></p> <p>All but two agencies required to submit EO 17-09 reports did so. SWARM reviewed the reports and is in the process of finalizing a consolidated report for the Governor’s Office.</p> <p><u>Vendor coordination</u></p> <p>Section V of EO 17-09 directs DAS to write policies for state agencies to recoup liquidated and delinquent debts owed by vendors by way of reducing vendor payments. SWARM is leading a project to identify a mechanism for agencies to match vendors with debtors who have accounts at DOR for collections. Once a match is identified, the paying agency will “hold” the vendor payment and request a garnishment from DOR.</p> <p>SWARM established a vendor coordination project steering committee which includes representatives from DOR, DAS, OED, DHS, OHA, DOJ and Department of Transportation. A project plan has been drafted and will be presented to the Enterprise Level Improving Government committee and Enterprise Leadership Team in mid-August.</p> <p><u>Quarterly reporting</u></p> <p>Section III of EO 17-09 directs DAS to work with state agencies to develop a quarterly reporting measurement that tracks debt collection activities. The draft Performance Metric policy was distributed to the ARCC Policy Development and Review Subcommittee for review and comment. Once the comment period has ended and all policy updates are completed, the subcommittee will submit the policy to the ARCC for review and comment.</p>
<p><u>A/R toolkit</u></p> <ul style="list-style-type: none"> - Interest calculation - Tracking tool 	<p>Stacey acknowledged the work conducted by the ARCC Tools and Process Improvement Subcommittee who worked together to establish the A/R toolkit. The toolkit, available on the SWARM website, includes:</p> <ul style="list-style-type: none"> • Collection process flowchart • Collection process narrative • Payment plan sample • PCF purchase order sample • Single collection letter sample • Write-off certification sample <p>Agencies who enter detail A/R transaction data into SFMA may request an IR Studio aging report from Stacey.A.Chase@oregon.gov.</p> <p>Future planned additions to the toolkit include a sample interest calculation worksheet and a liquidated and delinquent account tracking worksheet.</p> <p>SWARM will send email notifications through the A/R list serve as new tools become available in the toolkit.</p>

Roundtable	<p>The August 16, 2017 ARCC meeting is canceled.</p> <p>All agencies are encouraged to attend the August 17, 2017 LFO report training. Registration is now open in iLearn:</p> <p>Login to iLearn: http://ilearn.oregon.gov Course name: <u>FY 2017 Liquidated and Delinquent Account Reporting</u> Keywords: DAS, SARS, SWARM, LFO, liquidated, delinquent, debt collections</p>
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Next meeting:

September 20, 2017

2:00pm-3:00pm

Executive Building, Room A

Upcoming events are listed on the SWARM website:

<http://www.oregon.gov/das/Financial/Acctng/Pages/AR.aspx>

iLearn training available:

Login to iLearn: <http://ilearn.oregon.gov>

Course name: DAS – SWARM – Accounts Receivable 101

Keyword search: swarm