

# Minutes

## Accounts Receivable Core Committee (ARCC)



**Meeting Date:** February 20, 2019 2:00pm-3:00pm

**Location:** Executive Building, Conference Room A

**Attendees:** Andria Abrahamson (Forestry), Bradford Batchelor (PUC), Stephen Berrios (OED), Kim Courtright (ODA), Travis Clark (DHS/OHA), Todd Evans (DOR-OAA), Gerold Floyd (DAS-SWARM), Kimberly Hall (WRD), Svetlana Fadden (DHS), Kim Hall (WRD), Rob Hamilton (DAS), Steven Ito (DOR), Craig Kiernan (OHCS), Rebecca Level (ODE), Jesse Moore (HECC), Monique Murphy (HECC), Sue Nunley (DOJ), Dora Olivan (DCBS), Elena Ovhinikov (DCBS), Matt Powell (DPSST), Michelle Short (ODOT), Cindy Stockstill (OPRD), Karla Willmschen (SOS)

**Attendees by phone:** Dean Cristola (OED), Jennifer Hodgdon (OSL), Caty Karayel (REA), Michael Peppler (ODOE), Allan Rempel (OCB), Gail Stevens (OCB)

ITEM	ACTION, DISCUSSION
Welcome and introductions	
SWARM announcement- ARCC dates for remainder of 2019. (see SWARM website)	<p>The ARCC meetings will be moved to the third Tuesday of each month beginning in March. All meetings will be in Conference Room B of the Executive Building (155 Cottage St. Salem). The SWARM website has been updated with the new dates: <a href="https://www.oregon.gov/das/Financial/Acctng/Pages/AR.aspx">https://www.oregon.gov/das/Financial/Acctng/Pages/AR.aspx</a></p> <p>Please note that SWARM no longer maintains a calendar invite, please add the ARCC dates to your calendar so you can attend each month.</p>
Legislative tracking	<p>Gerold shared the current status (committee assignments, hearing dates, etc.) of bills that SWARM is observing during the legislative session (see attached list).</p> <p>OED asked if agencies had completed a fiscal impact analysis for either bill that would change the minimum garnishment exemption (SB6 or SB519). No agency in attendance was aware of a fiscal impact for their agency. Agencies with garnishment authority should evaluate these bills for impacts to their collection process and possible reduced revenue from garnishments.</p> <p>If your agency has any other bills that could impact A/R, even if only for your agency please email <a href="mailto:SWARM@oregon.gov">SWARM@oregon.gov</a> with the bill number so we can monitor as well.</p>
A/R Reporting- Begin reviewing data gathering methods now to ensure accurate FY19 reporting (ARPM and LFO).	<p>It is recommended that agencies start reviewing the method for gathering data related to the ARPM and LFO reports. Gerold shared a list of common reporting errors between the two reports. These are provided to assist agencies in evaluating the data they gather and ensure reporting compliance. There will be a checklist provided by SWARM for agencies to use when completing their LFO reporting, the checklist will include the items that SWARM looks for when reviewing agency reports. If you have any questions about the LFO or ARPM reports please contact your agency <a href="#">SWARM analyst</a>.</p>

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

	(See attached list of common reporting errors)
<p>Agency success stories- What has your agency done to:</p> <ul style="list-style-type: none"> <li>• Collect better account information</li> <li>• Improve billing processes</li> <li>• Improve collection of delinquent accounts</li> <li>• Manage A/R more efficiently</li> <li>• Improve compliance with statutes/policy</li> </ul>	<p>This was a group discussion designed to share areas that have had success in improving their A/R and collections process so that other agencies could learn from those successes. Please see the attached notes from the conversation. The agency that provided the comment is identified, if you have questions about the efforts identified please contact the agency directly by reaching out to the agency A/R contact:</p> <p>(<a href="https://www.oregon.gov/das/Financial/Acctng/Documents/A_R%20Contacts.pdf">https://www.oregon.gov/das/Financial/Acctng/Documents/A_R%20Contacts.pdf</a>)</p>
Roundtable	No roundtable items were raised.

**Next meeting:**

March 19, 2019

2:00pm – 3:00pm

Executive Building, Room B

Upcoming events are listed on the SWARM website:

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

## 2019 Legislative Session

### Bills with A/R impacts

Bill#	Summary	Status as of 2/19	Hearing Date	Notes
SB6	Increases minimum wage exemption for purposes of garnishment and execution.	(Senate) Workforce 1/5		
SB72	Clarifies definition of "state agency" in sections of ORS 293.	(Senate) Business and Govt.	1/22	Amendment to be submitted, clarifies 293.226 does not include Judicial, Sec. of State or Treasurer
SB 79	Provides that Department of Revenue may assist public bodies, public universities and Oregon Health and Science University in collecting delinquent accounts.	(Senate) Environment and Natural Resources 1/15	1/29, 2/26	-2 amendment revises bill to all collection for State Bar on client security fund and modifies authority to provide service to local governments only through offset of refunds or sums due from the department or any other state agency.
SB384	Directs State Court Administrator to study options for deprivatizing collection of court fees and fines	(Senate) Business and Gen Govt. 1/15		
SB454	Transfers administration of Uniform Disposition of Unclaimed Property Act, unclaimed estates and escheating funds from Department of State Lands to State Treasurer.	(Senate) Business and Gen Govt. 1/16	2/19	Amendment to clean up transfers of funds. Oregon is only one of two states not managed by Treasurer.
SB519	Increases minimum wage exemption for purposes of garnishment and execution.	(Senate) Workforce 1/16		
SB523	Authorizes Department of Revenue to make publicly available by posting online information about delinquent tax debtors.	(Senate) Finance and revenue 1/16	2/21	
HB2094	Permits contracting agency to consider at any time before executing public contract with bidder or proposer whether bidder or proposer owes debt to state.	(House) Rules 1/18	1/28	Amendment clarification for liquidated and delinquent debts, request for adding local government and liquidated and delinquent. Concern about adding locals.
HB2517	Prohibits state agencies from suspending or revoking license required to pursue commercial activity, trade, occupation or profession because licensee is delinquent in paying student loan debt.	(House) Business and Labor 1/18		

## ARPM known data errors from FY 2018

Error	Correction
LFO Section II collections do not equal the sum of Liquidated and Delinquent collections reported for the four quarters of the fiscal year in the ARPM	The total amount reported for L&D collections during the 4 quarterly reports should match the amount of collections reported in Section II of the LFO report. If discrepancies are identified in the data gathering, agencies should indicate in the ARPM report that a prior quarter amount has been updated so the total matches the LFO amount.
Total A/R 90 days past due stays the same or grows each quarter but no L&D additions reported to LFO	Accounts must meet the definition of L&D to be reported to LFO, but if the ARPM shows more accounts are becoming over 90 days past due, the agency should research the accounts to determine if they have followed the OAM to liquidate the account. This will ensure compliance with the OAM and subsequently ORS 293. Once an account is both L&D it becomes subject to assignment. Agencies
Agency reported DOR additions to LFO but reported 0% for all days to assign categories	If your agency reported accounts assigned to DOR in Section IIIa of the LFO report, then the sum of accounts assigned in the days to assign categories should equal the number of accounts reported to LFO. (Exception would be accounts that are reassigned to DOR, such as a prior write-off that became collectible. The ARPM should be the first assignment only.)
Reporting ARPM total A/R collections but 0% for Days to Collect	If A/R collections were made, generally there should be data reported for days to collect, the exception is when all A/R collections were partial payments (such as a payment plan, in this case the account is L&D and reported to LFO also, ARPM collections are also L&D). Use the agency comments to describe that no accounts were paid in full when collections were reported.
ARPM total write-offs are different than LFO amount in Section II, no comments provided.	Generally an account will be liquidated and delinquent before being subject to write-off, therefore the amount written off should be the same in both the ARPM and LFO reports. The exception is accounts where the agency has performed reasonable effort to collect but the account doesn't meet the definition of liquidated (OAM 35.30.30) AND the account meets a condition for write-off in OAM 35.50.10 such as the cost of collecting the debt would equal or exceed the amount of the debt (small balances) and the agency has not liquidated the account. In these situations the agency should use the comments field in the ARPM report to describe.
Not completely filling out all grey boxes	<ul style="list-style-type: none"> <li>• All current and next (quarter and annual) targets must be completed.</li> <li>• Even if the amount of accounts written off are \$0, the agency must complete the fields for beginning balance of total A/R as well as the total A/R established during the fiscal year.</li> <li>• If the beginning balance was \$0 and ending balance was \$0 but A/R was collected then A/R was established during the year.</li> </ul>

<p>Current target doesn't match the prior report target for next reporting period.</p>	<ul style="list-style-type: none"> <li>• For quarterly reports, the next quarter target should become the current quarter target during the next reporting period, do not change to match the actual data. Modify the methodology if needed when reporting the next quarter target.</li> <li>• For annual reports, the FY 2018 report for next fiscal year target should become the current fiscal year target in the FY 2019 report, do not change the target to match the actual data. Modify the methodology if needed when reporting the next fiscal year target (FY 2020).</li> </ul>
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## **Agency Success Stories-**

What have agencies done to:

### *Collect better account information-*

- Housing- Incomplete information, developed a template with program contact person, customer demographic data, automated as part of quickbooks to upload.
- DCBS- Asked investigators to provide additional information during first contact, better information on main contact with business.
- DOR-OAA- Within GenTax, a search is done for other records related to the same debtor. When name and address is only data, the match is difficult or not possible. DOB is very useful, bank information, drivers license, email address, phone numbers. Even old information can be used to search records.
- Sec of State- Civil penalty units were nervous about sharing DOB, drivers license, etc. Worked to ensure it was available.
- DHS- Uses skip tracing, including DMV, Employment, Child support to find additional data.

### *Improve billing processes-*

- DHS- First notice sent 20 days prior to due date. Automatically sends payment plan form after 14 days. Automated 60 days-notice regarding collections and enforcement actions.
- HECC- interagency billings now reference the OAM. Contracting staff have been asked to include the language in the contracts.
- DOR- Simplify notices to debtors, what the debt is and deadlines. Try to encourage more self-resolution by the debtor.
- Housing- Program templates result in notice from fiscal with individual debtors that are due and follow up from fiscal department to notify the debtor. Notices include language for fees and interest. Changing the behavior of the loan officers through these actions.

### *Manage A/R more efficiently-*

- Housing- automated billing process through templates used within programs. Creates billing item in quickbooks.
- DOR- asking for payments sooner in the process to avoid becoming delinquent rather than waiting for the collections functions. Attempt to reduce the L&D.
- Sec. of State- Tracking accounts for LFO purposes throughout the lifecycle, makes reporting more efficient.
- DHS- simplifying eligibility systems, verifying accounts through available financial systems to ensure proper payments. Process is now automated through program rules.
- ODOT- DMV launched a new system, efficiencies are still being identified related to financial.

### *Improve compliance with statutes/policy-*

- DCBS- Programs report to CFO monthly, helped identify accounts that are past due. Implemented in January 2019. Still working through implementation and benefits.
- DHS- Revisited program requirements for compliance with SNAP rules and collection of overpayments.