

STATEWIDE ACCOUNTS RECEIVABLE MANAGEMENT

The Buzz



Important dates to Remember:

April 21, 2020
Virtual ARCC Meeting.

April 30, 2020
Agencies subject to the Oregon Accounting Manual (OAM), to submit accurate ARPM reports for the quarter ending March 31.

Note: the most up-to-date ARPM can always be found in the OAM, 75.35.12.fo

Buzzworthy Articles

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New Price Agreement Contracts Awarded to Private Collection Firms

During a year of meetings, a workgroup of agency representatives studied the existing price agreement language (that governs account assignment for collection) and made recommendations to Procurement Services. After which a smaller group reviewed RFP solicitations for the goal of awarding a new price agreement for private collection services. Six Private Collection Firms (PCF) were selected as a result of committee evaluations: *Account Control Technology*, *Professional Credit Service*, *Premier Credit*, *Linebarger*, *Integral Recoveries* and *Coast Professional Inc.* (The first four names of this list are returning vendors.)

What does this mean for your agency? Not

wanting to sound like a lawyer, but the answer is “it depends.”

Does your agency have accounts that are currently assigned to a private collection firm? *Note: This does not include accounts forwarded by the Department of Revenue Other Agency Accounts (DOR-OAA).*

If yes, then you need to understand when the associated purchase order expires. Accounts may remain with the PCF until the underlying purchase order expires. What happens next depends on your agency and whether it is subject to the assignment requirements of ORS 293.231 (also known as Centralization).

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Department of Revenue Rolls Out Auto-Garnishment

By Steven Ito,
Oregon Department of Revenue

The Other Agency Account (OAA) program at the Department of Revenue serves as the state’s collection hub for many state agencies and we are continually looking to optimize our collections efforts. To this end, we are happy to share that this February, the department implemented an enhanced process to issue system generated garnishments in specific situations.

This process uses decision analytics that covers a variety of decision points based on

statute and policy to identify accounts OAA would normally issue garnishments on manually but can now be system generated in a fraction of the time.

Thru this tool, we improve our ability to take timely action when a debtor doesn’t respond to the state’s initial efforts to collect the account and OAA collectors are able to focus their efforts on other collection activity such as soliciting payments, setting up payment plans, or issuing garnishments on more complicated accounts.

State Agencies take Honors

George Naughton, Chief Financial Officer, and Robert W. Hamilton, SARS Manager, are pleased to announce Honor Roll results for the fiscal year ended, June 30, 2019.



Of the 129 agencies eligible to earn Honor Roll recognition, 103 agencies, representing 80% of these agencies, received this recognition.

Congratulations to all of the deserving agencies!

The Honor Roll award was established to recognize the efforts of accounts receivable professionals statewide, and to encourage prioritization of accounts receivable management activities. State agencies that submit accurate reports by the required due dates will be eligible for Accounts Receivable Honor Roll recognition.

The full list of agencies receiving this honor can be found on the *Statewide Accounts Receivable Management* website, located [here](#).

Good News for Agencies Who Report to LFO

Under Centralization (ORS 293.231), Executive Branch Agencies are required to assign liquidated and delinquent accounts to the Department of Revenue—Other Agency Accounts (DOR-OAA), when no payment has been received for more than 90 days. If DOR-OAA does not collect a payment within six-months, DOR-OAA is required to offer the debt for assignment to a private collection agency (PCF).

State Agencies who are required to report fiscal year liquidated and delinquent account activity to the Legislature Fiscal Office (LFO), were required to report account activity between DOR-OAA and PCF as well as collections received from DOR-OAA versus PCF. Because state agencies were not in control of this movement, it proved to be a significant challenge for the agencies.

Beginning with the reporting for fiscal year ending June 30, 2020, agencies will report their assigned accounts as being with DOR. Agencies will no longer break out the accounts forwarded to the PCF.

Similarly, collections from assigned accounts will no longer be broken out to those received from DOR-OAA versus PCF. Agencies who assign accounts to DOR-OAA will report collections as coming from DOR-OAA.

Please note that this only affects agencies subject to Centralization. Agencies not subject to ORS 293.231 will continue to report accounts assigned to PCFs.

More information concerning this change will be discussed at the ARCC meeting on April 21st, as well as the LFO Training.

ARCC Meetings during COVID-19

Given the current situation with the coronavirus, on March 16, Governor Brown recommended that Oregonians avoid gatherings of 10 people or more.

To practice safe social distancing, beginning in April and until further notice, ARCC meetings will be virtual. To attend the April 21st ARCC, please click the meeting url

on the *Statewide Accounts Receivable Management* website. Additionally, the meeting url will be emailed to those on AR Listserve.

Note: In December we misidentified the day of the week for ARCC meetings. The correct meeting day is the 3rd Tuesday of even-numbered months. The Editors regret this error.

New Price Agreements (continued)

(Continued from page 1)

If your agency is subject to ORS 293.231 then the Agency will need to cancel and request the return of the assigned account(s) upon the expiration of the purchase order. (Note: Because of the changes made to ORS 293 during the 2017 session, agencies subject to ORS 293, may no longer assign accounts directly to a PCF.)

Agencies should evaluate accounts returned from the PCF for possible write-off (see OAM 35.50.10) and/or reassign the account(s) to DOR-OAA. (Please remember that an obligation to pay a debt does not cease to exist when the account is written off.)

Agencies that are not subject to ORS 293.231 (such as, but not limited to, private universities and semi-independent agencies) should determine if the PCF currently being used was awarded the new price agreement.

If the PCF currently being used was not awarded the new price agreement, the agency will have two options:

1. Initiate a purchase order with one of the new PCFs using the new price agreement numbers (Please refer to ORPIN for more information), or

2. Issue a separate, assignment for collection contract to the PCF your agency currently uses, if authorized (check with your agency procurement staff for more information).

Note: Agencies not subject to ORS 293.231 will need to request the return of assigned accounts from the current PCF upon expiration of the purchase order and evaluate those accounts for possible write-off (see OAM 35.50.10) and/or reassignment to either DOR-OAA or to one of the PCF that were awarded the new price agreement.

If the PCF currently being used is one of the six PCFs who were awarded the new price agreement, then your agency can simply issue a new purchase order that references the new price agreement number and the vendor does NOT have to cancel/return the account(s). It is important to note that this step needs to occur before the agency's current purchase order expires.

Please see the Flowchart "*New Price Agreement Affect on Current Assignments to PCFs*" on page 4.

If you have any questions about the new price agreements, please email SWARM@oregon.gov or call your SWARM analyst.



SWARM's purpose is to assist state agencies, through training and technical assistance, in their efforts to improve the collection of delinquent debts owed to the state. In addition, SWARM is tasked with working with state agencies to improve the quality and value of data that each state agency submits to the Legislature Fiscal Office.



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Flowchart: New Price Agreement Affect on Current Assignments to PCFs

(please see article on page 1)

