

# STATEWIDE ACCOUNTS RECEIVABLE MANAGEMENT

# The Buzz



## SWARM Team News

Winter is that special time of year when Gerold and Stacey draft the *Statewide Accounts Receivable Management Report* under Oregon Revised Statute (ORS) 293.252. Needless to say, the bees have been buzzing in the hive to prepare the annual management report for publication.

The management report, due to the Legislative Assembly by December 31, includes the following elements pertaining to Executive Branch liquidated and delinquent account activity:

- Important issues and significant trends associated with Executive Branch state agency debt collection practices.
- Efforts made by Executive Branch state agencies to improve the collection of delinquent debt.
- Future efforts to improve the collection of delinquent debt.

The management report will be posted on the Statewide Accounting and Reporting Services (SARS) [publications webpage](#) along with the reports from fiscal years 2016 and 2017. The Statewide Accounts Receivable Management (SWARM) team will distribute the management report via email to members of the [accounts receivable news list](#) with a link to the publications webpage.

All state agency accounts receivable professionals are encouraged to review the management report to learn more about statewide efforts to improve the collection of Executive Branch liquidated and delinquent debts.

For more information, please contact the [SWARM analyst](#) assigned to your agency or visit the [SWARM webpage](#).

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### OAM Chapter 35 Update

The Policy Development and Review Subcommittee has been working diligently over the past 12 months to update the Oregon Accounting Manual (OAM) Chapter 35 policies on Accounts Receivable Management.

The subcommittee's goal was to evaluate all Chapter 35 statewide policies, identify which policies required updates, and incorporate the updated policies into the OAM by December 31, 2018.

To date, 17 policies were updated and incorporated into OAM Chapter 35; two policies were deleted; and one policy was added. Great job team!!

The subcommittee is in the process of finalizing edits associated with the definition of liquidated and delinquent. Once finalized, the definition will be incorporated into Oregon Administrative Rule Chapter 122, Division 85.

For ease, SWARM will retain the applicable language in both OAM and OAR since accounts receivable professionals are accustomed to researching the OAM for guidance.

For more information, please contact the [SWARM Analyst](#) assigned to your agency.

## Dept. of Revenue: Other Agency Accounts

There are several different methods available for agencies to use to assign liquidated and delinquent accounts to the Department of Revenue Other Agency Accounts (DOR-OAA) unit which include sending a transaction record through an electronic file transfer, web upload, direct entry into Revenue Online, or via paper assignment sheet.

Each time a transaction record is received by DOR-OAA, GenTax generates a response file overnight which is then uploaded to Revenue Online. The response file provides important information about the results of the DOR-OAA record validation process.

After accounts have been assigned to DOR-OAA, an agency representative is responsible for reviewing the response file in Revenue Online to validate that the assignment was completed as expected.

Here are a few data points from DOR-OAA response files between June 2018 and December 2018:

- 5,385 new assignment ("A") records were rejected because street addresses were not provided for any of the records
- 1,395 new assignment ("A") records were rejected because the two-letter state abbreviation was not provided
- 38,941 change ("C") records were rejected because there weren't any corresponding debts in GenTax to change

Timely review of the response reports will help agencies identify ongoing assignment errors and resolve them prior to subsequent account assignments. Additionally, agencies should validate transaction record data prior to assigning accounts to DOR-OAA.

Bear in mind, not every "error" implies a mistake was made. Reviewing the response files goes a long way in helping separate normal activity (restricted "add" record rejected because no matching SSN found in DOR's system) from problematic activity ("change" record rejected because no active debts from the assigning agency match the provided account information).

For more information about response reports and accurately assigning accounts to DOR-OAA, please refer to the [client agency technical guide](#) or contact DOR-OAA via email at [oa.technicalhelp@oregon.gov](mailto:oa.technicalhelp@oregon.gov).

Additional DOR-OAA resources are available on the [government agency debt management webpage](#).

## Annual Recap: 2018

Many new opportunities were implemented over the past 12 months in an effort to improve accounts receivable management practices statewide. Below are some major projects implemented during 2018:

- Accounts receivable performance measure (ARPM) reporting. The quarterly and annual ARPM data will be used by SWARM to evaluate state agency accounts receivable management progress. Additionally, agencies are encouraged to use the ARPM data as a management tool for evaluating the effectiveness and efficiency of internal accounts receivable processes.
- Coordination of vendor payments process to recoup liquidated and delinquent debts owed by vendors. As of November 30, 2018, the Oregon Department of Transportation and Statewide Financial Management Application agencies collected a grand total of **\$459,337.42** through the vendor coordination process ([OAM 35.30.90](#)).
- Debt centralization at DOR-OAA. Phase 1 implementation was completed July 1, 2018 which included the management of Executive Branch liquidated and delinquent account assignments to private collection firms.
- Interagency agreement between DOR and DOJ to exchange child support new hire data. Effective July 1, 2018, DOR was authorized to enter into an interagency agreement with DOR to obtain child support new hire information; a resource which will provide DOR with more timely wage information to identify garnishable assets.
- Financial institution data match (FIDM). Legislation passed during the 2017 session that required certain financial institutions to provide account holder information to DOR to enable the department to conduct a data match between debtors and account holders to identify potential garnishable assets.

As SWARM celebrates the statewide successes from 2018, the team looks forward to opportunities that may be pursued in 2019 to improve accounts receivable management practices statewide.

For more information, please contact the [SWARM Analyst](#) assigned to your agency.

### SWARM Training

SWARM understands the importance of training to ensure accounts receivable professionals have the tools necessary to effectively perform their job functions. Additionally, SWARM recognizes that busy schedules may prevent an individual from attending classroom training available only in Salem. To meet the needs of accounts receivable professionals statewide, SWARM records most accounts receivable training sessions and posts the recordings to the [SARS training and resources webpage](#) under the heading of accounts receivable training and workshops. Accounts receivable professionals have the ability to view training topics which include:

- Servicemembers Civil Relief Act
- Accounts receivable performance measure reporting (three-part series)
- Use of social security number for debt collections

Interested in learning more about accounts receivable topics not currently available on the training and resources webpage? Please email: [SWARM@oregon.gov](mailto:SWARM@oregon.gov).



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**Special thanks to:**

Todd Evans, Department of  
Revenue Other Agency Accounts

Anna Higley, Oregon Real Estate  
Agency



## Oregon Real Estate Agency

The Oregon Real Estate Agency (OREA) is charged with the mission to provide quality protection for Oregon consumers of real estate, escrow and land development services, balanced with a professional environment conducive to a healthy real estate market. OREA licenses and regulates real estate professionals including: brokers, principal brokers, property managers, escrow organizations and reviews condominium filings in Oregon.

OREA is exclusively funded with revenue generated from license applications, renewals, and filing fees. OREA also issues civil penalties for statutory violations; collections of civil penalty accounts are transferred to the General Fund.

Payment of fees are required prior to any review services offered in land development and application fees are required to be cleared prior to licensure and renewal. The majority of these fees are taken online by credit card with real time payment processing which greatly reduces the volume of potential accounts receivable.

OREA has found that the limited number of fees paid by check and returned as non-sufficient funds (NSF), as well as civil penalties paid in installments, generate the need for considerable manual time and attention. The agency is working with DAS to create opportunities for interfacing an automated data transfer from the agency's licensing system directly into the Statewide Financial Management Application (SFMA).

OREA is eager to have access to better reporting and fewer manual processes. The agency is also evaluating the potential of allowing civil penalty installment, public records, and NSF payments to be processed using OREA's online system. The current challenge the agency faces is working with the payment provider, US Bank, to restrict online ACH option for NSF repayments.

While existing tracking for collections is time intensive, the agency has observed a dramatic improvement in collection rates since transitioning to DOR-OAA centralized debt collection. Prior to using DOR-OAA, OREA had rates of recovery from private collection firms of approximately 1%. The liquidated and delinquent account collection rate increased to 15% by using DOR-OAA.

For more information contact Anna Higley, OREA Administrative Services Manager, at [Anna.Higley@oregon.gov](mailto:Anna.Higley@oregon.gov).