

STATE CONTROLLER'S DIVISION
Statewide Accounts Receivable Management

STRATEGIC PLAN

Liquidated and Delinquent Accounts FY2005

Analysis of the Legislative Fiscal Office
Report on Liquidated and Delinquent Accounts

*A discussion of the areas state agencies should monitor,
and recommended actions to improve collection efficiencies.*

Accounts Receivable Core Committee (ARCC)
July 2006

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ACKNOWLEDGEMENTS

DEFINITIONS

Strategic Plan

*Statewide Accounts Receivable Management (SWARM)
Based on the Legislative Fiscal Office Liquidated and
Delinquent Accounts Receivable Report FY 2005*

Executive
Summary

Summary of Findings

- For FY (Fiscal Year) 2005 the combined efforts of executive branch agencies, including Other Agency Accounts (OAA) unit at the Department of Revenue, and Private Collection Firms (PCF) collected \$256,635,555 which is an increase of over \$41 million from FY 2004. The collection rate of 17.31% for liquidated and delinquent accounts in FY 2005 reflects an increase over the rate for FY 2004 which was 15.63%.
- The current Account Turnover Rate (ATR) of 98.7% means that there were slightly more accounts in the system at the end of the year than in the beginning. During FY 2005 the number of delinquent accounts increased by 4,389 or 1.3%.
- Of the approximately \$377 million in interagency receivables shown in the 2005 Comprehensive Annual Financial Report (CAFR), only \$1,725,472 (or 0.46%) is reflected in the Legislative Fiscal Office (LFO) Report as delinquent. Interagency receivables are only 0.11% of the total liquidated and delinquent debts reported to the LFO. This illustrates that, overall, agencies continue to effectively manage the process of paying interagency receivables on a timely basis.
- State agencies involved in collection activity exchange information and ideas at monthly ARCC meetings, vendor fairs, training sessions and meetings involving the PCFs. In addition, the Statewide Accounts Receivable Management Coordinator (SWARM) is a resource to facilitate the exchange of ideas and process improvement.

Plan Purpose

- Provide analysis of the data for executive branch agencies presented in the LFO Report on Liquidated and Delinquent Accounts Receivable.
- Discuss areas to be monitored and recommend actions that may be taken to improve collection efficiencies.
- Based on data from the 2005 LFO report, the plan addresses **four areas of observation**:
 - ✓ Collection Effectiveness
 - ✓ Account Assignment Pipeline
 - ✓ Interagency Receivables
 - ✓ Communication Effectiveness

Background

On December 15, 2005, the LFO released their “Report on Liquidated and Delinquent Accounts Receivable” for the fiscal year ending June 30, 2005. The 2005 LFO report, required by ORS 293.229, is the sixth compilation of data supplied by state agencies under the law.

Oregon’s collection rates have started to improve, however, the state’s economic situation will continue to impact collection of liquidated and delinquent accounts. Due to the improving economic environment, collection rates are expected to improve by June 2006.

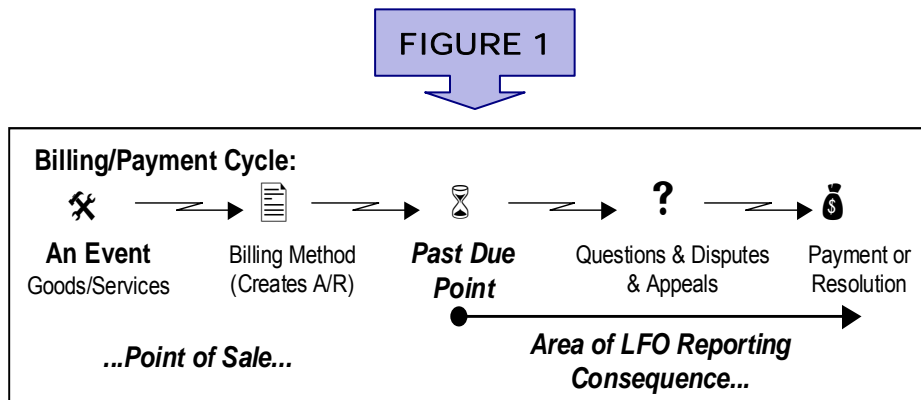
The ARCC Strategic Planning sub-committee is comprised of representatives from state agencies who meet annually to analyze the data submitted to LFO and to prepare this Strategic Plan. The ARCC makes recommendations for improvements that state agencies and the SWARM Coordinator can take to maximize the return on state resources and further improve debt collection practices. The ARCC members continue strategizing to improve statewide accounts receivable management.

This Strategic Plan contains information on liquidated and delinquent receivables as submitted by state agencies to the LFO. Reporting requirements imposed by law require state agencies to track the character of their receivables based on several considerations:

- Is the debt delinquent?
- Is the debt liquidated and was a hearing requested?
- Is there cause for the account to be placed in exempt status?
- Is the exempt status temporary or permanent?
- How long has the account been liquidated and delinquent?
- What is the date of the last payment?
- Has the account been submitted to an OAA unit or a PCF?
- Is account activity at a status that would suggest it should be written-off?

Agencies should periodically review accounts and answer each of the above questions to ensure the account will continue moving through the assignment pipeline and ensure proper reporting to the LFO each year by October 1st.

Billing/Payment Cycle – Figure 1 illustrates the process when an agency’s receivables are created from providing a good or service to the customer.

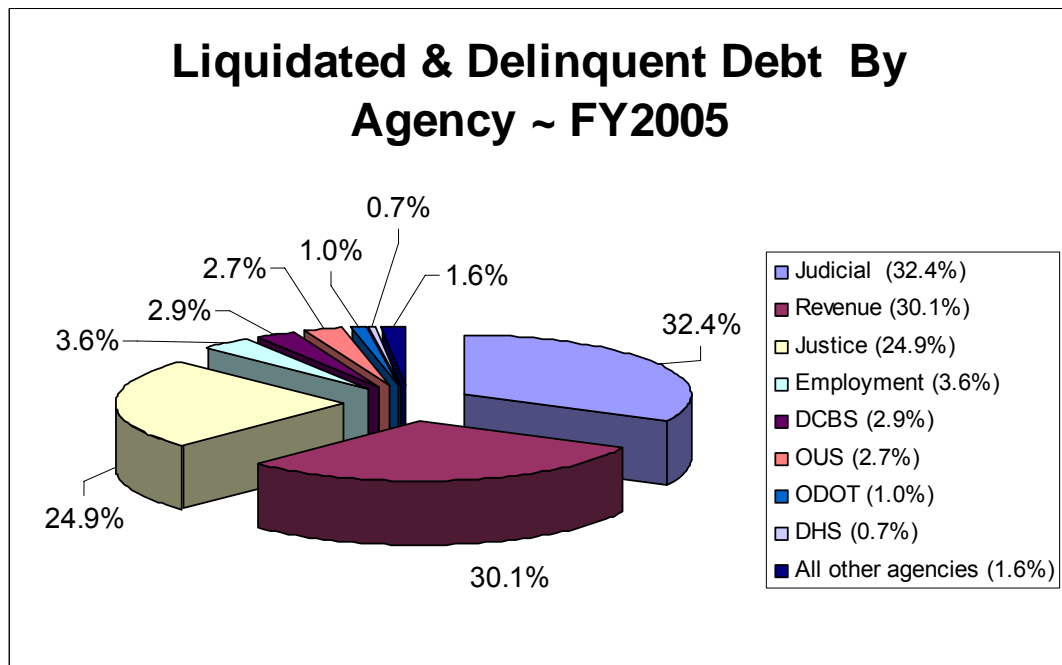


To reduce the number and amount of accounts receivable owed to the state, it is important to look at the way the state does business and when payment for services or goods is required. To improve the collection process, the state must consider what options are offered to pay for a service. If the customer is given options regarding payment for services such as cash, credit card, check, ACH, or online, it enhances the agency's ability to obtain a payment. Delinquent debt issues would not exist if funds were collected at the point of sale. It is also important to note that most often, state agencies do not have the option to deny services or to perform pre-debt credit checks on customers.

Agency Summary

To better understand the nature of the debt being collected, it is important to understand which agencies have the largest delinquencies. Figure 2 shows that eight agencies comprise 98.4% of the total debts reported.

FIGURE 2



Three agencies comprise 87.4% of the total debts reported, Oregon Judicial Department, Department of Revenue and the Department of Justice. Below, each agency has provided a brief description of the debts that they are collecting.

Judicial – Oregon Judicial Department – 32.4% of total debt

Judicial Department liquidated and delinquent debt includes fines, fees, assessments, restitution and recovery of court-appointed counsel amounts ordered by the court as part of the judgment. Amounts due are sanctions imposed pursuant to law. Ability to pay is not a primary consideration. Outstanding amounts due are owed by individuals who are unable to pay in full at the time the final judgment is issued. Debtors may be incarcerated, transient or unemployed. The ability to take collection actions for amounts ordered in criminal cases can be as long as 50 years after entry of judgment. Recipients of amounts collected are primarily state and local governments and crime victims.

Revenue – Department of Revenue – 30.1% of total debt

Debt balances managed by the Department of Revenue (DOR) are comprised of taxes or fees, along with any accompanying penalties and/or interest, owed the State by individuals or businesses. This debt is primarily general fund money. The majority of the debt managed by DOR is Personal Income tax owed by residents and nonresidents who earn income in Oregon. The Personal Income tax debt is comprised of taxes owed as reported by taxpayers and compliance assessments initiated by the department.

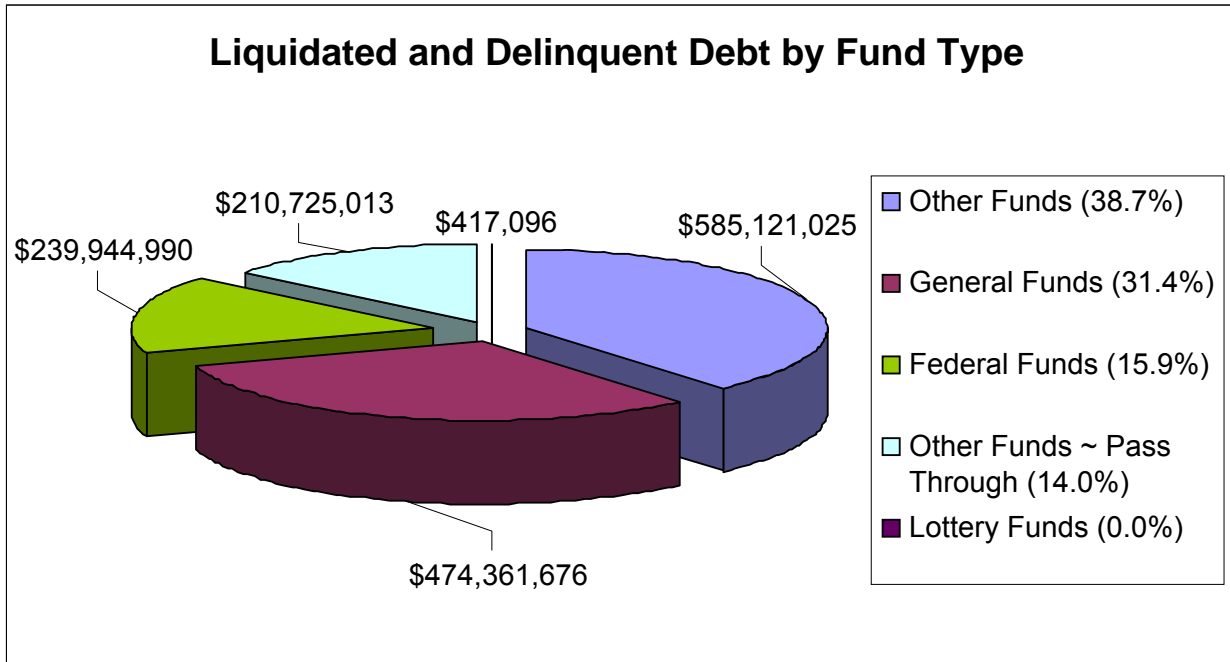
Justice – Department of Justice 24.9% of total debt

Department of Justice (DOJ) debt is comprised primarily of child support recoveries, the portion of punitive damages awarded to the Crime Victims Assistance Section, and court judgments from the Tobacco Enforcement, Financial Fraud/Consumer Protection, and Charities programs.

TYPE OF DEBT

In addition to knowing which agencies comprise the debt, it is also important to understand what types of funds are being collected. Figure 3 shows the allocation of the FY2005 liquidated and delinquent debt by fund type. Approximately one-third of the debt is owed to the General Fund.

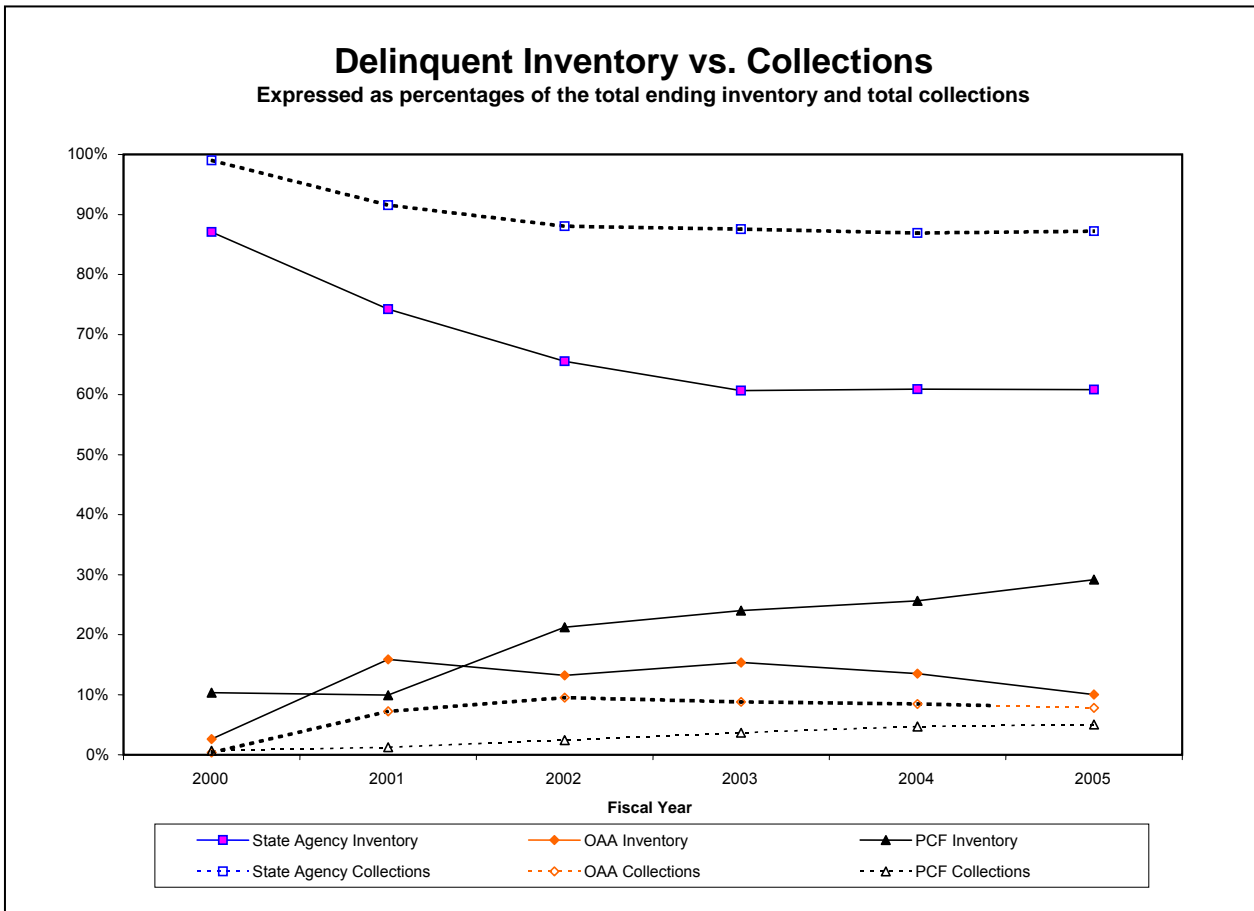
FIGURE 3



SIX YEAR HISTORY

Agencies have been reporting their Liquidated and Delinquent receivables to the Legislative Fiscal Office for the last six years. Figure 4 displays the six year history comparing percentage of ending inventory to the percentage of total collections.

FIGURE 4



Over the last three years, State Agencies have consistently achieved 87% of the total collections with inventory of 60% of the total accounts. During the same three year span, OAA has maintained roughly 8% of the total collections while their inventories have declined from 15% to 10% of the total accounts. Meanwhile, Private Collection Firms (PCF) ending inventories have increased from 24% to 29%, yet their collections only increased from 3.5% to 5.0% of all collections statewide.

Over the six year reporting period, state agencies have reported a cumulative \$4.8 billion in ending inventory, OAA a combined \$0.9 billion and the PCF's a total of \$1.5 billion. Figure 5 shows the cumulative inventory balances for each of the six years.

FIGURE 5

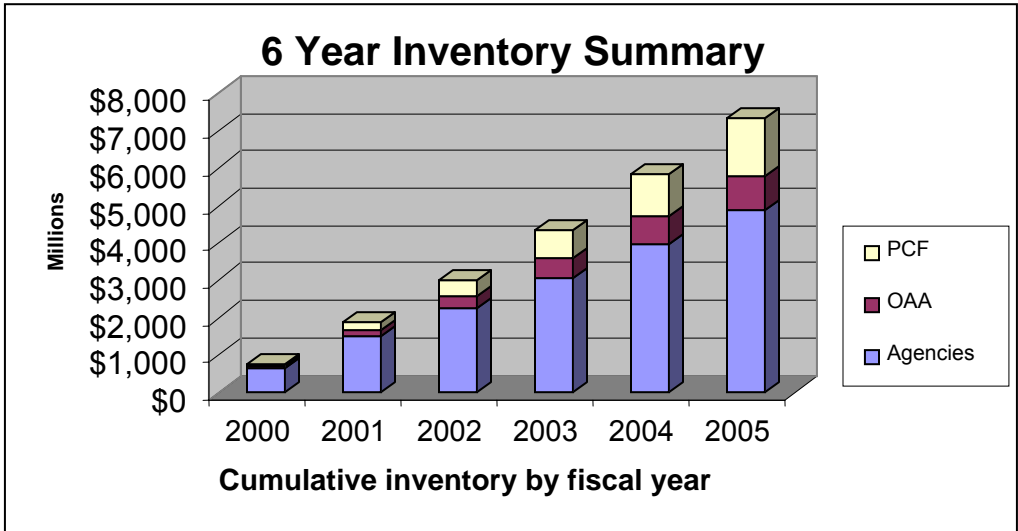
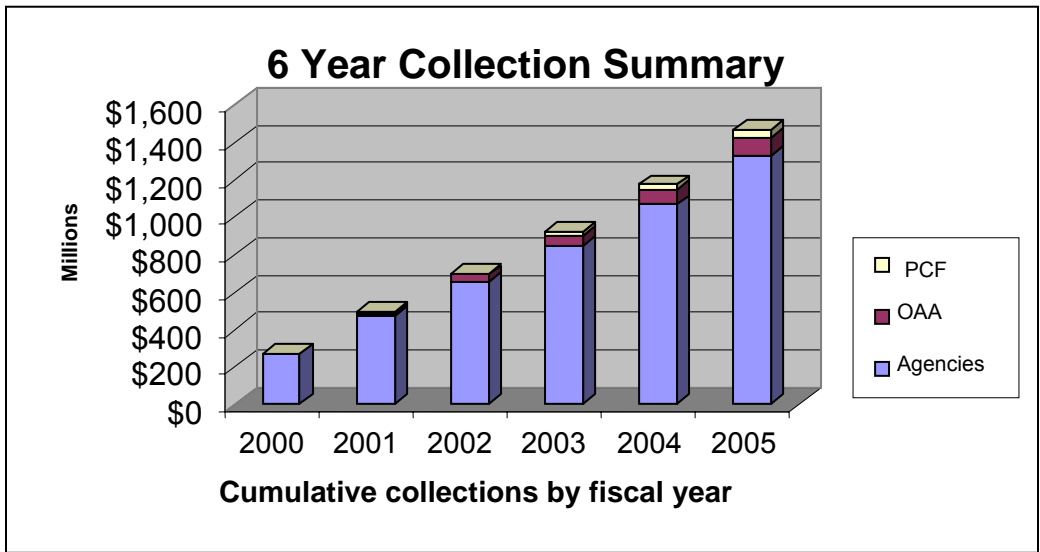


Figure 6 shows the cumulative collections between July 1, 1999 and June 30, 2005. As of June 30, 2005 state agencies have collected \$1,325,379,867, OAA has collected \$100,403,921 and PCF's have collected \$44,225,473.

FIGURE 6



Executive Branch and Judicial Branch

The Strategic Planning committee recognizes that the DAS Strategic Plan for Liquidated and Delinquent Accounts Receivable does not apply to the Judicial Branch of Government. Therefore, to more accurately reflect the activities of the Executive Branch agencies, this Strategic Plan is based on the resulting calculation which removes the Oregon Judicial Department data from the Legislative Fiscal Office Report on Liquidated and Delinquent Receivables FY 2005. Table I below shows the calculations used to determine the activity of the Executive Branch agencies.

TABLE I

RECONCILIATION- LFO LESS OREGON JUDICIAL DEPARTMENT				
		<u>LFO TOTALS</u> <u>June 30, 2005</u>	<u>JUDICIAL TOTALS</u> <u>June 30, 2005</u>	<u>EXECUTIVE</u> <u>BRANCH June 30,</u> <u>2005</u>
Total Dollar Value of Liquidated and Delinquent Accounts	Beginning	\$1,496,469,584	\$439,368,550	\$1,057,101,034
	Additions	589,725,346	164,189,587	425,535,759
	Collections	(296,354,117)	(39,718,562)	(256,635,555)
	Write-Offs	(42,501,572)	(12,130,194)	(30,371,378)
	Adjustments	(87,841,313)	(23,322,145)	(64,519,168)
	Reversals	<u>(148,928,128)</u>	<u>(38,287,088)</u>	<u>(110,641,040)</u>
	Ending Balance	<u>\$1,510,569,800</u>	<u>\$490,100,148</u>	<u>\$1,020,469,652</u>
Percent of LFO Ending Balance			32.44%	67.56%
Total Number of Liquidated and Delinquent Accounts	Beginning	1,212,253	884,078	328,175
	Additions	695,688	416,594	279,094
	Accounts Closed	(357,641)	(119,699)	(237,942)
	Write-Offs	(43,230)	(24,256)	(18,974)
	Reversals	<u>(40,217)</u>	<u>(22,428)</u>	<u>(17,789)</u>
	Ending Balance	<u>1,466,853</u>	<u>1,134,289</u>	<u>332,564</u>
Percent of LFO Ending Balance			77.33%	22.67%
Questions about the Judicial Data should be directed to Cheryl Stone, OJD Collections Manager				

Since the Oregon Judicial Department (OJD) utilizes the services of the Other Agency Accounts (OAA) unit of the Department of Revenue, the statistics reported in this Strategic Plan will be reflective of all accounts assigned including those from the Oregon Judicial Department. The Oregon Judicial Department comprises 96.3% of the accounts and 92.7% of the dollars in the Other Agency Accounts Unit inventory on June 30, 2005.

Collection Effectiveness

OVERVIEW

Table II represents all liquidated and delinquent accounts reported by Executive branch agencies, including those being worked by OAA and PCFs.

TABLE II

State of Oregon Liquidated and Delinquent Accounts		
June 30, 2005		
	<u>Number of Accounts</u>	<u>Dollar Value of Accounts</u>
1. Beginning Balance	328,175	\$1,057,101,034
2. Additions	279,094	\$425,535,759
3. Collections		(\$256,635,555)
4. Accounts Closed	(237,942)	
5. Write-Offs	(18,974)	(\$30,371,378)
6. Adjustments		(\$64,519,168)
7. Reversals	<u>(17,789)</u>	<u>(\$110,641,040)</u>
8. Ending Balance	<u>332,564</u>	<u>\$ 1,020,469,652</u>

(Further break down of data from prior year to current year's information is provided in Appendices III, IV, V, and VI)

The *Dollar Collection Rate* is calculated by using collections divided by the beginning balance plus additions. This represents the relative ability to collect the maturing liquidated and delinquent accounts. It also measures how much of the balance of accounts worked by state agencies is being converted into dollars.

Statewide Dollar
Collection Rate

$$\frac{\$256,635,555}{(\$1,057,101,034 + \$425,535,759)} = 17.31\%$$

Table III data represents liquidated and delinquent accounts being pursued by OAA, including accounts from OJD. Since OJD utilizes the services of the Other Agency Accounts (OAA) unit of the Department of Revenue, the statistics reported in this Strategic Plan will be reflective of all accounts assigned including those from OJD. OAA has extensive access to information which assists in locating debtors assets. OAA also has the ability to apply state tax refunds to delinquent debt owed to the state.

TABLE III
↓

Other Agency Accounts Unit June 30, 2005		
	<u>Number of Accounts</u>	<u>Dollar Value of Accounts</u>
1. Beginning Balance	296,281	\$200,339,328
2. Additions		\$114,206,807
3. Collections		(\$23,060,202)
4. Returned		<u>(\$140,292,283)</u>
5. Ending Balance	<u>214,573</u>	<u>\$151,193,650</u>

Oregon Judicial Department comprises 96.3% of the accounts and 92.7% of the dollars in the Other Agency Accounts Unit inventory on June 30, 2005.

OAA Dollar
Collection Rate

$$\frac{\$23,060,202}{(\$200,339,328 + \$114,206,807)} = 7.33\%$$

Table IV data represents liquidated and delinquent accounts being pursued by PCFs for Executive branch agencies:

TABLE IV
↓

Private Collection Firms June 30, 2005		
	<u>Number of Accounts</u>	<u>Dollar Value of Accounts</u>
1. Beginning Balance	74,956	\$140,441,913
2. Additions		\$119,255,082
3. Collections		(\$5,345,159)
4. Returned		<u>(\$89,289,459)</u>
5. Ending Balance	<u>90,507</u>	<u>\$165,062,377</u>

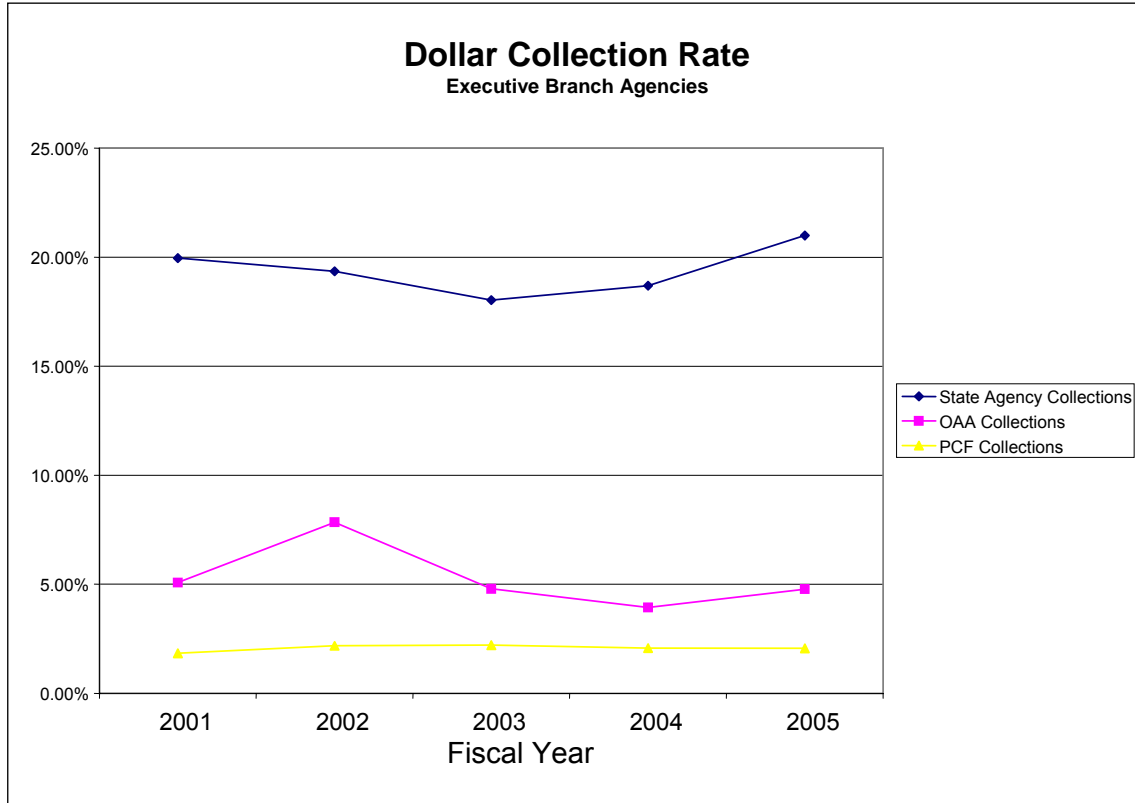
PCF Dollar
Collection Rate

$$\frac{\$5,345,159}{(\$140,441,913 + \$119,255,082)} = 2.06\%$$

DISCUSSION

Based on the data in Appendix VI, dollar collection rates have started to rebound as the state continues the climb out of a recession. The overall collection rate has seen an increase each of the last two years. The state agency *collection rate* reached 20.99% during FY2005. This was the first year since FY 2000 that the state agency rate exceeded the 20%. It is expected that FY 2006 will again see improved collection rates as the economy continues to improve. Figure 7 shows the dollar collection rate for executive branch agencies over the last five years.

FIGURE 7



PLAN OBJECTIVES

State Agencies

- Be resourceful in working with their collection partners to find opportunities to make changes in processes that will improve collection efforts and improve collection efficiency. Examples include automated methods that define and prioritize accounts throughout the collection process.

Other Agency Accounts Unit

- Ensure appropriate collection activity occurs on all accounts turned over from state agencies.

Private Collection Firms

- Ensure appropriate staffing is maintained based on the volume of accounts assigned.

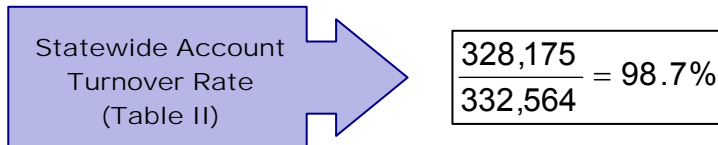
SWARM

- Provide quarterly training to improve agency collections.

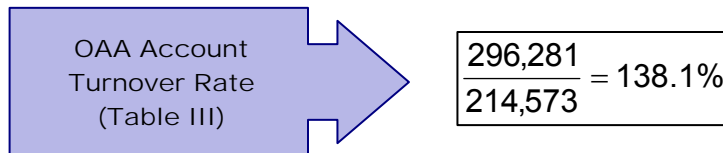
Account Assignment Pipeline

OVERVIEW

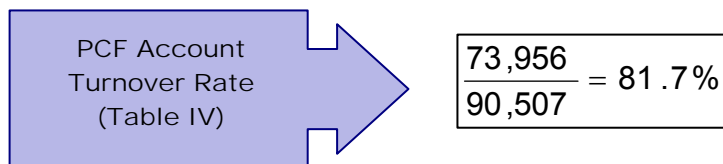
The account assignment pipeline includes collection efforts at state agencies, referrals to OAA, and referral to PCFs. The Account Turnover Rate is a calculation that indicates how well accounts are moving through the account assignment pipeline. The Account Turnover Rate is calculated by dividing the beginning number of accounts by the ending number of accounts. An Account Turnover Rate of over 100% means that there are fewer accounts at the end of the year than at the beginning.



The current Account Turnover Rate of 98.7% means that there were slightly more accounts in the system at the end of the year than in the beginning. The number of delinquent accounts increased during FY 2005 by 4,389 or 1.3%. While ARCC supports the goal of a turnover rate of greater than 100%, there are other factors that can cause the turnover rate to be less than 100% such as a large volume of new accounts at the end of the fiscal year.



The OAA Account Turnover Rate for FY 2005 was 138.1%. *The Oregon Judicial Department comprises 96.3% of the accounts in the Other Agency Accounts Unit inventory on June 30, 2005 (refer to Appendix IV for more information).* The decrease in ending inventory was the effect of OAA partnering with state agencies to focus collection resources where they would be most effective.



The PCF Account Turnover Rate for FY 2005 was 81.7%. The increase is reflective of the increasing volume of accounts moving from OAA on to the PCF. State agencies are working with private collection firms to determine which accounts are uncollectible so they can be moved along in the assignment pipeline.

Once an account has moved through the pipeline from agency to DOR and onto the PCF, if the account is still unpaid then the agency will review the account to see if it meets the Secretary of State criteria for uncollectibility as identified in OAM 35.20.80.PO. Accounts that meet the criteria may be written off with proper authorization.

DISCUSSION

OAA continues to partner with state agencies to streamline the collections process and return accounts where assets are not readily available. This streamlining allows more accounts to flow through the assignment pipeline and allows OAA to focus collection resources where they are most effective.

Beginning July 1, 2006, all state agencies were required to identify the time at which the PCF must return an account if they are unable to receive a payment. The biggest impact of this contract provision will be realized by FY 2007 as most agencies allow a maximum of 12 months without a payment. This process will allow for a more timely identification of accounts that are unable to pay. State agencies and DAS continue to work closely with the PCFs to ensure adequate collection actions are taken on assigned accounts.

PLAN OBJECTIVES

State Agencies

- Improve automated assignment to and returns of accounts from both the Other Agency Accounts unit and private collection firms.

Other Agency Accounts Unit

- Review accounts regularly and report to agencies those accounts that should be moved on through the pipeline.

Private Collection Firms

- Perform monthly reviews of State Agency inventories and return accounts that are determined to be uncollectible according to the criteria identified in the Purchase Order and Contract.

SWARM

- Complete and refine OAMs that impact the account assignment process, taking into account changes in technologies.

Interagency Receivables

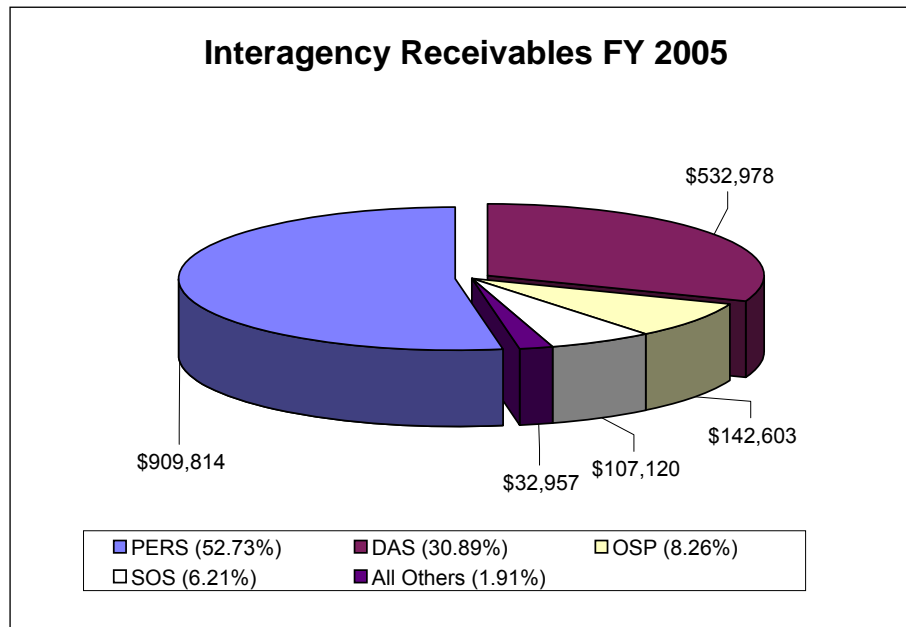
OVERVIEW

The FY2005 LFO Report shows higher interagency delinquencies than FY2004. The amount liquidated and delinquent from interagency receivables is \$1,725,472.

Of the approximately \$377 million in interagency receivables shown in the 2005 CAFR, only \$1,725,472 (or 0.46%) is reflected in the Legislative Fiscal Office (LFO) Report as delinquent. Interagency receivables are only 0.11% of the total liquidated and delinquent debts reported to the LFO. This illustrates that, overall, agencies continue to effectively manage the process of paying interagency receivables on a timely basis.

Figure 8 shows the breakdown of those agencies with the highest delinquent interagency receivables for FY 2005. Discussions with these agencies have indicated that some accounts reported in FY 2005 may not be liquidated as the debtor agency has disputed the amount. We expect that the balance of interagency receivables will go down during FY 2006 as agencies more accurately report their interagency receivables.

FIGURE 8



DISCUSSION

There are always going to be interagency receivables throughout the year. At any point in time, the total of these receivables may be more or less depending upon the volume of goods and services provided between agencies and the business cycle, which facilitates prompt payment.

These factors combined with cash flow and funding continue to play a role in interagency accounts receivable remaining at year-end.

Billing agencies and debtor agencies must comply with the provisions established in [OAM 15.45.10](#). Compliance will result in elimination of delinquent interagency receivables.

OAM policies applicable to Interagency Receivables include:

- [OAM 35.60.10](#) describes state agency responsibilities when issuing and paying invoices between agencies.
- [OAM 35.60.20](#) process for state agencies to implement progressive actions to effect prompt payment on interagency receivables.
- [OAM 35.60.20](#) dispute resolution for interagency billings.

PLAN OBJECTIVES

State Agencies

- Review billing policies and incorporate the provisions of OAM 35.60.10-35.60.30 into agency procedures.

SWARM

- Follow-up quarterly with agencies reporting high interagency receivable balances.

Communication Effectiveness

OVERVIEW

The Accounts Receivable Core Committee (ARCC) is chaired by the SWARM coordinator, and its membership is made up of state agencies involved in collection activity. Through this committee SWARM has developed a communication pipeline for its members. In addition, SWARM is a resource to facilitate the exchange of ideas and process improvements. ARCC and SWARM have jointly expanded communications as follows:

- ARCC meetings – Monthly meetings provide a forum for agency staff to discuss and share their concerns and ideas and to develop action plans to improve the receivable and collection practices of the state.
- Legislative coordination – ARCC solicits input from agency staff on legislative concepts that could improve collection and receivable practices. Concepts that are approved by ARCC are developed and then proposed and managed by DAS.
- SWARM website – Information is available on collections and receivables with links to the statewide collection master contract, information on the contracted PCFs, OAMs being reviewed and/or updated, the annual LFO reporting process manual, liquidated and delinquent accounts receivable information, and much more.
- Training – SWARM provides training sessions for agency staff in the area of receivables and collection practices.
- Collection RFP – A subcommittee was formed to review and draft language for a new collection contract. Revisions were shared with ARCC at the monthly meetings.

SWARM has provided or arranged for the following training sessions this year:

- Payroll Overpayment Recovery
- Contract Amendment Training
- Annual LFO Reporting Process
- DOR-OAA Overview
- Federal Offsets
- Collection Software Vendor Demonstrations

DISCUSSION

State agencies exchange information and ideas at monthly ARCC meetings, vendor fairs, training sessions, and meetings involving the PCFs. SWARM compiles and monitors feedback on the PCF performance evaluation assessment process that is used by the participating agencies. This performance data is shared with the state agencies and shows year-to-year and PCF-to-PCF comparability.

Each state agency should have a Single Overriding Communication Objective (SOCO) in place for their collections efforts. A suggested format is provided in Appendix I. When a SOCO is jointly prepared by collection staff, accounting staff, and management, it can serve as an instrument for agency discussion, planning, and decision-making and should be used by state agencies in an effort to communicate their collection recovery success.

PLAN OBJECTIVES

State Agencies

- Develop, publish, and train agency staff on the Single Overriding Communication Objective (SOCO) (Appendix I) for agency collection efforts. Agencies should share their SOCO with other agencies through ARCC.

Other Agency Accounts Unit

- Visit client agencies to present training on current or new processes and conduct annual survey with client agencies to ensure customer service levels are met or exceeded.

Private Collection Firms

- Respond to state agency inquiries within 24 hours as well as communicate to state agencies on information that is available through the contractor's client access website.

SWARM

- Expand use of the SWARM website to distribute information, notify agencies of training opportunities, and solicit new ideas and concepts.

Summary of Plan Objectives

State Agencies

1. Be resourceful in working with their collection partners to find opportunities to make changes in processes that will improve collection efforts and improve collection efficiency. Examples include automated methods that define and prioritize accounts throughout the collection process.
2. Improve automated assignment to and return of accounts from both the Other Agency Accounts unit and private collection firms.
3. Review billing policies and incorporate the provisions of OAM 35.60.10–35.60.30 into agency procedures.
4. Develop, publish, and train agency staff on the Single Overriding Communication Objective (SOCO) (Appendix I) for agency collection efforts. Agencies should share their SOCO with other agencies through ARCC.

Other Agency Accounts Unit

1. Ensure appropriate collection activity occurs on all accounts turned over from state agencies.
2. Review accounts regularly and report to agencies those accounts that should be moved on through the pipeline.
3. Visit client agencies to present training on current or new processes and conduct annual survey with client agencies to ensure customer service levels are met or exceeded.

PCFs

1. Ensure appropriate staffing is maintained based on the volume of accounts assigned.
2. Perform monthly reviews of State Agency inventories and return accounts that are determined to be uncollectible according to the criteria identified in the Purchase Order and Contract.
3. Respond to state agency inquiries within 24 hours as well as communicate to state agencies on information that is available through the contractor's client access website.

SWARM

1. Provide quarterly training to improve agency collections.
2. Complete and refine OAMs that impact the account assignment process taking into account changes in technologies.
3. Follow-up quarterly with agencies reporting high interagency receivable balances.
4. Expand use of the SWARM website to distribute information, notify agencies of training opportunities, and solicit new ideas and concepts.

Factors in Collecting Delinquent Debt

Economic Outlook

Summary of Recent Trends –

The first quarter 2006 initial estimate of job growth was a 6.3% annual rate over the fourth quarter 2005. This is one of the strongest quarterly growth rates of the past 15 years. A continuous string of job gains now dates back to the second quarter of 2003. On a year over year (Y/Y) basis, jobs increased in the first quarter by 3.9%. The last time Y/Y growth was this strong was the second quarter of 1997.

The most recent Blue Chip Job Growth rankings place Oregon 6th in the nation for Y/Y job growth. Between March 2005 and March 2006, jobs increased by 60,800 or 3.73%. Total private employment gained 24,800 jobs from the fourth quarter for a 7.3% increase.

Short-term Outlook –

The Oregon economy is doing its best to look like the mid 1990's. Job growth has not quite reached the 4% growths of 1994 through 1996, but the above 3% growth of 2005 and projected for 2006 is the best showing since that time. As we look ahead, we see two potential bumps in the road to continuing this strong growth.

First, the red hot housing market is showing signs of slowing down. The housing market was responsible for a good portion of the economic growth in Oregon. We cannot exactly estimate this proportion. But construction employment growth constituted 16.8% of all job gains since mid 2003, the largest of any employment sector. Couple this with the activity from financial markets, professional and business services, retail and wholesale trades and the proportion of growth in Oregon due to the housing market could be 20 to 30%. Any slowdown in housing would have a definite slowing impact on the overall economy.

Second, the energy situation could push up gasoline prices higher, causing jet fuels to be more expensive, raising the transportation costs of shipping goods, and thus lead to higher overall inflation and interest rates.

With a slowing housing market and high oil prices, these factors will have a dampening effect on the economy. As the additional growth contributed by the housing market begins to wane and consumer budgets are squeezed by higher prices related to oil disruptions, the Oregon economy will also slow from its fast growth pace. These two factors, housing and oil, also stand out as the two greatest risks to the outlook for economic growth.

Extended Outlook –

Personal income is forecast to grow by 6.5% in 2006, followed by growth of 5.7% in 2007 and 5.6% in 2008. The economy is expected to slow slightly in 2007. The growing economy along with a drifting up of inflation will keep personal income growing into 2007 and 2008. Wage and salary income will grow 6.8% in 2006 and 5.4% in 2007.

Per capita income in Oregon will stay below the U.S. average in 2006. Although faster economic growth is forecasted for the Oregon economy, population growth will keep per capita income below the U.S. average throughout the forecast horizon.

Bankruptcy Reform Impacts

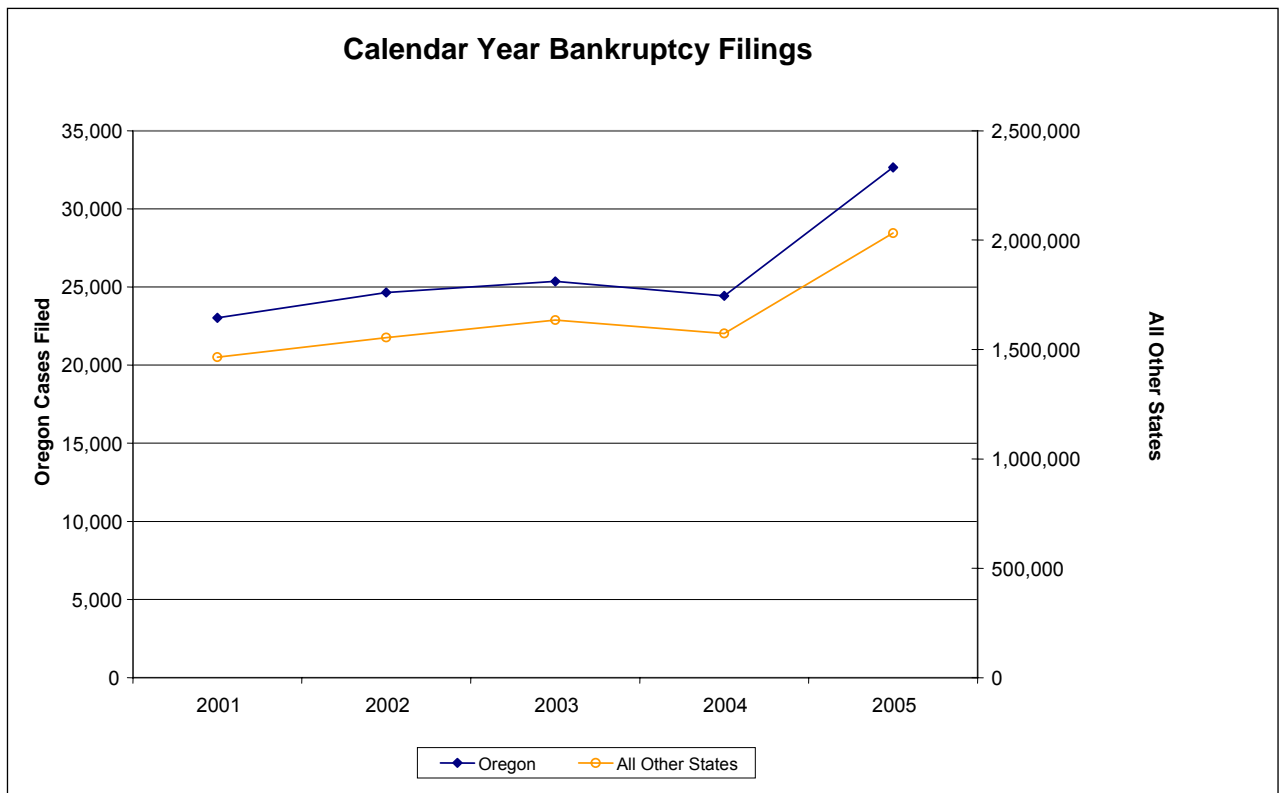
The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 took effect October 17, 2005, and dramatically changed the requirements for filing for bankruptcy. As a result of the Act, bankruptcy courts were flooded with cases prior to the October 17th effective date of the Act. During 2005, forty six out of fifty states saw double digit increases in bankruptcy filings over 2004. Nationwide bankruptcy filings increased by 30%, while Oregon's filings increased by 34%. The immediate effects of these filings will be felt during the fiscal year 2006 reporting period when the majority of the cases will be processed. If a debt is discharged in bankruptcy, then the debt is adjusted from the agency records.

Some of the provisions of the new act include:

- Mandatory Credit Counseling
- Chapter 7 means test
- Required proof of income and tax returns
- Fewer automatic stay protections
- Unpaid child support and alimony takes priority over all creditors
- Mandatory financial management education

Over the long term, analysts believe that changes to the bankruptcy laws will not result in the reduced number of filings that was originally intended. Figure 9 shows the five year history of bankruptcy filings in Oregon as well as all other states combined.

FIGURE 9



SINGLE OVERRIDING COMMUNICATION OBJECTIVE (SOCO)
FOR LIQUIDATED AND DELINQUENT ACCOUNT COLLECTION EFFORTS

As stated in the Plan Objectives for Communication Effectiveness, each state agency should have a Single Overriding Communication Objective (SOCO) in place for their collections efforts. This appendix provides a suggested format for agencies to use in developing a SOCO. When jointly prepared by collection staff, accounting staff and management, the SOCO form can serve as an instrument for agency discussion, planning, and decision-making. It can assist agencies when responding to questions from the media or the legislature. When a copy of the form is provided to the agency's legislative coordinator and public relations contact, it could serve as an educational tool and as a reference document for future inquiries.

The form should be used by state agencies in an effort to communicate their collection recovery success. It offers state agencies a series of informational points to explain and promote their agency's collection performance. To remain effective, it must be kept current through the annual collection and evaluation of data.

The following points make up the form:

SOCO (Single Overriding Communication Objective)

Sum up the agency's collection objective with regard to customer service.

Agency Mission

What is the agency's mission in regard to collections?

Revenue/Fund/Activity Perspective

Are the recovered funds general fund, other fund, etc.? What activities are supported by the funds collected?

Clients, Customers, Constituency

Describe the agency's clients and debtors.

Collection Rates

Choose the rate or rates that permit the best comparability. Consider year-to-year comparability and comparisons to other agencies, even comparable agencies in other states.

Staffing Perspective

Provide an overview of staffing characteristics and include information like dollars collected per FTE, calls handled per year, etc.

Benchmarks/Performance Measures

What are the agency's benchmarks and performance measures for their collection efforts?

5-Year History

Collection Rates, Turnover Rates, Average Days Outstanding.

Trends

What trends is the agency seeing as a result of their collection efforts?

[Agency]
Single Overriding Communications Objective (SOCO)
for Liquidated and Delinquent Accounts Collection Efforts

SOCO (Single Overriding Communication Objective)

Our agency seeks high collection standards and quality customer services...

Agency Mission

Our agency's mission is to [do good things with the money we have collected.]

Revenue/Fund/Activity Perspective

Our agency collects \$X million of [Other Fund] monies that provide [X type of Services]

Clients, Customers, Constituency

Our agency works with everyday Oregonians that...

Collection Rates (Choose one or more)

- L&D Rate: $\text{Collections} \div (\text{Beg. Balance} + \text{Additions})$
- Paid Timely Rate: ???
- Avg. Days A/R Outstanding: $\text{AR} \div (\text{Revenue} \div 365)$
- Delinquency Rate: ???
- Turnover Rate: $(\text{Beginning Account Balance} \div \text{Ending Account Balance})$
- Cost of Collection: ??? (Total Direct Costs + Total Indirect Costs = Total Cost of Collection.)

Staffing Perspective

- We have X full time collectors on staff and a collection manager.
- They each collect about \$X millions per year.
- That means our agency spends less than 12¢ per dollar collected on these LIQUIDATED AND DELINQUENT accounts. (Use the "Cost of Collection" ÷ Amount Collected.)

Benchmarks/Performance Measures

- Our agency does X – this is comparable with agencies in other states that do X amount of volume (Revenue dollars, A/R collections, Delinquent rate, etc.)
- Are you part of a national organization that performs state comparisons?

5-Year History

	2001	2002	2003	2004	2005
Collection Rate	X%	X%	X%	X%	X%
Turnover Rate	X%	X%	X%	X%	X%
Average Days	X%	X%	X%	X%	X%
Outstanding	X%	X%	X%	X%	X%

Trends

Overall trends indicate...

THE FOLLOWING REFERENCES MAY BE FOUND ON THE WEB

- The **SWARM** (Statewide Accounts Receivable Management) website is used to inform state agencies about receivable and collection issues, LFO reporting, training, presentations, meetings, etc.
<http://www.oregon.gov/DAS/SCD/SRS/arcc.shtml>
- The SWARM website maintains a special web page to display and track the progress of **proposed additions to the Oregon Accounting Manual (OAM)** regarding accounts receivable and collections. This web page displays the formally adopted OAM policies and procedures.
<http://www.oregon.gov/DAS/SCD/SRS/policies.shtml>
- ORS 293.229 requires the Legislative Fiscal Office to produce an annual report by December 31 of each year for the legislature. These reports, entitled **Report on Delinquent and Liquidated Accounts Receivable**, offer a view of the state's liquidated and delinquent accounts.
<http://www.oregon.gov/DAS/SCD/SRS/lfo.shtml>
- The **Collection Contract Firms website** provides specific information about the statewide collection master contract. It includes a complete copy of the master contract along with the name, biography, address, email address, phone number and an individual link to each of the eleven collection firms who were awarded a master contract as of November 15, 2002.
<http://www.oregon.gov/DAS/SCD/SRS/pcf.shtml>
- Referred to as the **Unlawful Debt Collection Practices Act**, ORS 646.639 et. seq. provides Oregon with laws regarding unlawful debt collection practices. This law, coupled with the guidelines provided in the OAMs, furnishes state agencies the boundaries for lawful collection policies.
<http://www.leg.state.or.us/ors/646.html>
- The **Federal Trade Commission administers the Fair Debt Collection Practices Act**. For information on this and other consumer and business issues.
<http://www.ftc.gov/os/statutes/fdcpajump.htm>
- The **ACA International website** is a resource guide built to educate consumers, business professionals and the media about the credit and collection industry. The ACA International is an international trade organization of credit and collection professionals that provide a variety of accounts receivable management services to over one million credit grantors. It was formerly known as the American Collectors Association.
<http://www.collector.com/>
- The **Skip Tracing website** is a new resource added to assist agencies in searching for debtors who have left without leaving a forwarding address. It is a reference guide but is not intended to be the only source for online search resources available to agencies.
<http://www.oregon.gov/DAS/SCD/SRS/skiptrace.shtml>

This table represents a year-by-year comparison of all accounts reported, even those being worked by the Other Agency Accounts unit and private collection firms:

Appendix III

OVERALL COLLECTION RESULTS FOR ALL AGENCIES				
		June 30, 2003	June 30, 2004	June 30, 2005
Total Dollar Value of Liquidated and Delinquent Accounts	Beginning	\$1,193,738,705	\$1,299,788,836	\$1,496,469,584
	Additions	481,052,574	623,045,679	714,075,346
	Collections	(219,160,707)	(251,911,889)	(420,704,117)
	Write-Offs	(44,960,638)	(70,650,925)	(42,501,572)
	Adjustments	(53,458,019)	(83,431,561)	(87,841,313)
	Reversals	<u>(56,987,454)</u>	<u>(19,510,386)</u>	<u>*(148,928,128)</u>
	Ending Balance	<u>\$1,300,224,461</u>	<u>\$1,497,329,754</u>	<u>\$1,510,569,800</u>
Total Number of Liquidated and Delinquent Accounts	Beginning	1,008,067	1,302,571	1,212,253
	Additions	595,872	466,061	695,688
	Accounts Closed	(255,050)	(408,156)	(357,641)
	Write-Offs	(26,576)	(44,953)	(43,230)
	Reversals	<u>(21,011)</u>	<u>(101,707)</u>	<u>(40,217)</u>
	Ending Balance	<u>1,301,302</u>	<u>1,213,816</u>	<u>1,466,853</u>
Overall Collection Rate		13.09%	13.10%	14.21%
Overall Account Turnover Rate		77.5%	107.31%	82.6%

OVERALL COLLECTION RESULTS FOR EXECUTIVE BRANCH AGENCIES				
		June 30, 2003	June 30, 2004	June 30, 2005
Total Dollar Value of Liquidated and Delinquent Accounts	Beginning	\$880,504,200	\$907,026,736	\$1,057,101,034
	Additions	376,094,442	472,582,347	425,535,759
	Collections	(188,071,440)	(215,605,595)	(256,635,555)
	Write-Offs	(44,960,638)	(60,384,368)	(30,371,378)
	Adjustments	(59,116,749)	(26,147,530)	(64,519,168)
	Reversals	<u>(56,987,454)</u>	<u>(19,510,386)</u>	<u>*(110,641,040)</u>
	Ending Balance	<u>\$907,462,361</u>	<u>\$1,057,961,204</u>	<u>\$1,020,469,652</u>
Total Number of Liquidated and Delinquent Accounts	Beginning	312,597	333,718	328,175
	Additions	188,583	247,687	279,093
	Accounts Closed	(121,144)	(122,152)	(237,941)
	Write-Offs	(26,576)	(27,808)	(18,974)
	Reversals	<u>(21,011)</u>	<u>(101,707)</u>	<u>(17,789)</u>
	Ending Balance	<u>332,449</u>	<u>329,738</u>	<u>332,564</u>
Overall Collection Rate		18.04%	15.63%	17.31%
Overall Account Turnover Rate		94.0%	101.2%	98.7%

* Includes reversals of \$103.8 million from Student Assistance Commission after agency dissolved.

This table represents a year-by-year comparison for accounts assigned to OAA:

Appendix IV

OTHER AGENCY ACCOUNTS UNIT COLLECTION RESULTS FOR ALL AGENCIES				
		June 30, 2003	June 30, 2004	June 30, 2005
<i>Dollar Value of Liquidated and Delinquent Debt at OAA</i>	Beginning Balance	\$149,344,232	\$199,620,826	\$200,339,328
	Additions	127,694,906	101,669,024	114,206,807
	Collections	(19,266,315)	(21,232,492)	(23,060,202)
	Returned	<u>(58,229,650)</u>	<u>(78,014,427)</u>	<u>*(140,292,283)</u>
	Ending Balance	<u>\$199,543,173</u>	<u>\$202,042,931</u>	<u>\$151,193,650</u>
<i>Number of Accounts</i>	Beginning Balance	267,994	324,225	296,281
	Ending Balance	<u>324,424</u>	<u>296,749</u>	<u>214,573</u>
<i>OAA Dollar Collection Rate</i>		6.95%	7.05%	7.33%
<i>OAA Account Turnover Rate</i>		82.6%	109.3%	138.1%

OTHER AGENCY ACCOUNTS UNIT COLLECTION RESULTS FOR EXECUTIVE BRANCH AGENCIES				
		June 30, 2003	June 30, 2004	June 30, 2005
<i>Dollar Value of Liquidated and Delinquent Debt at OAA</i>	Beginning Balance	\$20,057,508	\$25,044,540	\$24,800,277
	Additions	14,431,510	12,042,637	8,749,680
	Collections	(1,654,342)	(1,457,446)	(1,602,906)
	Returned	<u>(7,867,789)</u>	<u>(9,768,770)</u>	<u>** (20,884,191)</u>
	Ending Balance	<u>\$24,966,887</u>	<u>\$25,860,961</u>	<u>\$11,062,860</u>
<i>Number of Accounts</i>	Beginning Balance	6,667	6,318	6,431
	Ending Balance	<u>6,517</u>	<u>6,899</u>	<u>7,869</u>
<i>OAA Dollar Collection Rate</i>		4.80%	3.93%	4.78%
<i>OAA Account Turnover Rate</i>		102.3%	91.6%	81.7%

* In August 2004, OAA initiated a pilot program with OJD to return accounts that do not meet the collectibility standards within 120 days after assignment. Refer to the increased assignments to PCFs in Appendix V.

** Includes returns of \$12.9 million by DCBS. All accounts from DCBS were withdrawn from OAA after DCBS received warrant and garnishment authority.

This table represents a year-by-year comparison for accounts assigned to PCFs:

Appendix V

PCF COLLECTION RESULTS FOR ALL AGENCIES				
		June 30, 2003	June 30, 2004	June 30, 2005
Dollar Value of Liquidated and Delinquent Debt at Private Collection Firms	Beginning Balance	\$245,581,418	\$316,347,131	\$362,323,785
	Additions	153,633,180	163,373,335	*254,918,308
	Collections	(8,040,050)	(11,759,793)	(14,877,523)
	Returned	<u>(79,019,887)</u>	<u>(84,201,120)</u>	** <u>(161,877,043)</u>
	Ending Balance	<u>\$312,154,661</u>	<u>\$383,759,553</u>	<u>\$440,487,527</u>
Number of Accounts	Beginning Balance	217,411	400,735	506,420
	Ending Balance	<u>345,057</u>	<u>506,536</u>	<u>591,119</u>
PCF Dollar Collection Rate		2.01%	2.45%	2.41%
PCF Account Turnover Rate		63.0%	79.1%	85.7%

PCF COLLECTION RESULTS FOR EXECUTIVE BRANCH AGENCIES				
		June 30, 2003	June 30, 2004	June 30, 2005
Dollar Value of Liquidated and Delinquent Debt at Private Collection Firms	Beginning Balance	\$146,144,621	\$132,575,371	\$140,441,913
	Additions	68,678,116	88,761,869	*119,255,082
	Collections	(4,745,068)	(4,576,618)	(5,345,159)
	Returned	<u>(77,815,494)</u>	<u>(75,869,213)</u>	<u>(89,289,459)</u>
	Ending Balance	<u>\$132,262,175</u>	<u>\$140,891,409</u>	<u>\$165,062,377</u>
Number of Accounts	Beginning Balance	58,684	64,953	73,956
	Ending Balance	<u>62,312</u>	<u>74,072</u>	<u>90,507</u>
PCF Dollar Collection Rate		2.21%	2.07%	2.06%
PCF Account Turnover Rate		94.2%	87.7%	81.7%

* New assignments increased as a result of accounts moving from OAA faster than they did in FY 2004 and increased assignments from the DOR Tax unit.

** The increase in returned accounts over 2004 includes a \$64 million increase by OJD and \$14 million increase by the Student Assistance Commission which was dissolved during FY 2005.

Collection of Executive Branch Agency Liquidated and Delinquent Accounts

		2003**	2004***	2005****	% of Inventory	% of Collections
Totals for All Collection Efforts	Beginning Inventory (a)	\$880,504,200	\$907,026,736	\$1,057,101,034		
	Additions (a)	376,094,442	472,582,347	425,535,759		
	Total Available for Collection	<u>\$1,256,598,642</u>	<u>\$1,379,609,083</u>	<u>\$1,482,636,793</u>		
	Total Ending Inventory	<u>\$907,462,361</u>	<u>\$1,057,961,204</u>	<u>\$1,020,469,652</u>	100%	
	Total Collected (All Sources) (a)	<u>\$188,071,440</u>	<u>\$215,605,595</u>	<u>\$256,635,555</u>		100.0%
	% Total Available Collected (b)	14.97%	15.63%	17.31%		
Total for State Agencies (X)	<i>Net Ending State Agency Inventory</i>	\$750,233,299	\$891,208,834	\$844,344,415	83%	
	Total Collected	<u>\$181,672,030</u>	<u>\$209,571,531</u>	<u>\$249,687,490</u>		97.29%
	% Total Available Collected	18.04%	18.69%	20.99%		
Totals for Other Agency Accounts	Beginning Inventory (a)	\$20,057,508	\$25,044,540	\$24,800,277		
	Additions (a)	14,431,510	12,042,637	8,749,680		
	Total Available for Collection	<u>\$34,498,018</u>	<u>\$37,087,177</u>	<u>\$33,549,957</u>		
	Ending Inventory	<u>\$24,966,887</u>	<u>\$25,860,961</u>	<u>\$11,062,860</u>	1%	
	Collections for the State (a)	<u>\$1,654,342</u>	<u>\$1,457,446</u>	<u>\$1,602,906</u>		0.63%
	% Total Available Collected (b)	4.80%	3.93%	4.78%		
Totals for Private Collection Firms	Beginning Inventory (a)	\$146,144,621	\$132,575,371	\$140,441,913		
	Additions (a)	68,678,116	88,761,869	119,255,082		
	Total Available for Collection	<u>\$214,822,737</u>	<u>\$221,337,240</u>	<u>\$259,696,995</u>		
	Ending Inventory	<u>\$132,262,175</u>	<u>\$140,891,409</u>	<u>\$165,062,377</u>	16%	
	Collections for the State (a)	<u>\$4,745,068</u>	<u>\$4,576,618</u>	<u>\$5,345,159</u>		2.08%
	Avg Historical Cost of Collections (c)	\$949,014	\$915,324	\$1,069,032		
	% Total Available Collected (b)	2.21%	2.07%	2.06%		

(X) State agency totals are calculated (total LFO-(OAA+PCF) for the purpose of benchmarking collection and inventory percentages.

** LFO Data adjusted to reflect mathematical anomaly in beginning balance. (\$180.4 million)

*** LFO Data adjusted to reflect reporting responsibility shift of DCS A/Rs from DHS to DOJ. (\$238 million)

**** LFO Data adjusted to reflect reporting error of \$124.35 million in additions and collections; the account was not liquidated.

(a) This information is from the LFO Liquidated and Delinquent Account Reports.

(b) Based on LFO data [Collection Amount / (Beginning Inventory + Additions)]

(c) Based on prior and current contracted average collection rates.

CHRONOLOGY OF (SWARM) IMPLEMENTATION...

▶	HB3509 becomes law...[Oregon Laws 1999, Chapter 1092]	10/23/99
▶	Assignment law becomes operative...[ORS 293.231 – See Section 6 under note]	01/01/00
▶	First reporting period ends...[ORS 293.229(3) permits an agency a 1-year report exclusion]	06/30/00
▶	First Statewide Collection Master contract in place [Eight private collection firms were awarded a contract]	08/01/00
▶	First L&D reporting to LFO is due...[Turnover of mature accounts – pre-stabilization period]	10/01/00
▶	First private collection master contracts in place...	11/27/00
▶	First LFO report to the legislature is due by...	12/31/00
▶	Second reporting period ends...[Judicial included in the report per ORS 1.195]	06/30/01
▶	DOR assignment law becomes operative...[This time frame, combined with law changes, produced an increased transfer of mature accounts]	07/01/01
▶	SB 70 becomes law...[Oregon Laws 2001, Chapter 823]	07/20/01
▶	Second L&D reporting to LFO is due...[Produced Semi-year-to-year comparison]	10/01/01
▶	Second LFO report to Legislature...[This report allowed for comparison to the first year's report, however it was not a true year-to-year comparison.]	12/31/01
▶	Third L&D reporting to LFO is due...[First true year-to-year comparison, barring significant changes to the collection law]	10/01/02
▶	New statewide collection master contract ...[There were 11 private collection firms awarded a master contract]	11/15/02
▶	Third LFO report to Legislature...	12/23/02
▶	House Bill 2055 becomes law...[Oregon Law 2003 Ch. 66. Allows agencies to add collection costs to debts]	05/07/03
▶	House Bill 3023 approved by the Governor...[Oregon Law 2003 Ch. 805, Requires agencies to turnover L&D accounts in 90-days rather than 1 year]	09/24/03
▶	Fourth L&D report to LFO is due...	10/01/03
▶	Fourth LFO report published...	12/15/03
▶	House Bill 3023 becomes law...(Oregon Law 2003 Ch. 805)	01/01/04
▶	Fifth LFO report published...	12/15/04
▶	Amendment to collection contract allowing contractors to file Small Claims and Garnishments with proper approvals	07/01/05
▶	Sixth LFO report published...	12/15/05

Acknowledgement

The ARCC Strategic Planning subcommittee's participation with data analysis and the development and deliberation of the ARCC Strategic Plan was much appreciated. This committee included:

- Randy Mitchell – Department of Consumer and Business Services
- Jan Jackman – Department of Revenue
- Chris Gasperini – Department of Revenue
- Cheryl Stone – Oregon Judicial Department
- Shirlene Gonzalez – Parks and Recreation Department
- Maria Young – Department of Justice
- Linda Teet – Construction Contractors Board
- Gerold Floyd – Department of Administrative Services

We would also like to acknowledge and thank:

- The Legislative Fiscal Office (LFO) and Dallas Weyand III for sharing the raw agency data collected through the LFO data collection website to permit further evaluation.
- The Oregon Collectors Association for their assistance in making the collection process work for the benefit of the state.
- The Statewide Accounting and Reporting Section which each year compiles and presents the state's Comprehensive Annual Financial Report (CAFR) and their sharing of the receivable data, thereby permitting a more detailed analysis.
- The State Controller, John Radford, and Statewide Financial Services Manager, Jon DuFrene, for their valuable advice and counsel.

Accounts Receivable (A/R) – In governmental activities an A/R is usually created by regulations based on taxes, licensing, fees, fines, restitution, penalties, etc. This governmental type of A/R does not allow state agencies to select their customer or perform credit checks. In the private sector, an A/R is generally created when credit is extended for the transfer of a good or a service. Also, private industry organizations typically screen those customers to whom they choose to extend credit.

Accounts Receivable Core Committee (ARCC) – The ARCC provides the opportunity for state agency representatives to meet and share ideas to help improve business practices and enhance state receivable and collection policies and results.

Automatic Clearing House (ACH) – A nationwide electronic funds transfer network which enables participating financial institutions to distribute electronic credit and debit entries to bank accounts and to settle such entries.

Comprehensive Annual Financial Report (CAFR) – This annual report provides an accounting of the state’s financial and budgetary operation as of June 30th of each year. The report is prepared under Generally Accepted Accounting Principles and is audited by the Secretary of State’s Division of Audits.

Department of Administrative Services (DAS) – DAS works to effectively implement policy and financial decisions made by the Governor and the Oregon Legislature. This agency also sets and monitors high standards of accountability, ensuring that tax dollars are used productively.

Legislative Fiscal Office (LFO) – Is a permanent, non-partisan legislative service agency. It provides research, analysis, and evaluation of state expenditures, financial affairs, program administration, and agency organization. The LFO also provides fiscal impact statements on legislative measures.

Liquidated and Delinquent (L&D) – [OAM 35.30.10](#) defines L&D debts as accounts that have proceeded past the status of a regular account receivable. Delinquent implies the account was not paid by the due date. Liquidated implies the amount owed is known by the debtor, the debtor has been notified of the debt, and that the debtor has been given an opportunity to go through a due process proceeding. Within this report, we refer to these accounts collectively as “liquidated and delinquent” accounts.

Oregon Accounting Manual (OAM) Policies – Is intended to provide a comprehensive set of policies and procedures to assist state fiscal managers with analyzing, processing, and reporting financial transactions in accordance with Generally Accepted Accounting Principles (GAAP).

Other Agency Accounts unit (OAA) – Located at the Department of Revenue, is the “in-house” collection agency for State of Oregon agencies. OAA was established in 1975 under ORS 293.250 (amended 2001) to collect debts owed to any agency of the State of Oregon. The program is self-supporting based on the retention of a percentage of dollars collected for other state agencies.

Private Collection Firm (PCF) – Private sector debt collection organizations contracted by the State to assist in state agency debt collection.

Single Overriding Communication Objective (SOCO) – A document that is designed to sum up the agency’s collection objective with regard to customer service and communicate the agencies recovery success. See Appendix I

State Controller’s Division (SCD) – The State Controller's Division exists to support and ensure accuracy and accountability in state government financial systems by providing services and controls in the management of statewide accounting, receivables, financial reporting, and payroll functions.

Statewide Accounts Receivable Management (SWARM) – A unit of the Statewide Financial Services section, State Controller’s Division.