

Minutes

Accounts Receivable Core Committee (ARCC)



Meeting Date: September 17, 2024

Location: Virtual meeting via Microsoft Teams

Attendees: Joy Andrews (DELC); Fitsum Aramde (DEQ); Leslie Aranda (OED); Heidi Baker (DHS/OHA); Bradford Batchelor (PUC); Erica Baumann-Hilton (OHCS); Nikki Bennett (DOR-OAA); Angelique Bowers (ODE); Amy Brewer (OPRD); Maggie Carrasco (ODOE); Shely Coffey (OSBAE); Kim Courtright (ODA); Chloe Dixon (OST); Richard Dredge (DCBS); Ryan Ellison (WOU); Svetlana Fadden (DHS); Connie Flowers (ODE); Gerold Floyd (DAS-SWARM); Christina Fluge (DHS/OHA); Amy Fry (Lottery); James Garrett (WRD); Dan Goettsch (DCBS); Trisha Hage (WRD); Caty Karayel (REA); Irina Kay (DAS); Madeline Kretschmar (DAS); Trena Landers (OLCC); Pam Lara (DSL); Wendy Lorimor (ODOE); Elizabeth Marshall (ODVA); Brian Martinez (OLCC); Jesse Oliver (OED); Shelly Paddock (DCBS); Michelle Palmer (BOLI); Ben Plant (DAS); Jean-Aime Polneau (OLCC); Matthew Powell (DPSST); Mackenzie Purnell (OBCE); Jill Reece (OYA); Sean Riesterer (CCB); Emily Rothweiler (DAS); Lyubov Salov (DAS); Lisa Sardinha (ODAV); Michelle Scholl (ODOT); Barbara Seaman (PUC); Roxann Shepard (DOC); Bradley Steele (OED); Taylor Towers (DAS); Daisy Tran (DAS); Anna Unger (DOC); Susan Westin (SLO); Karla Willmschen (SOS); Dawn Young (ODE)

ITEM	TIME STAMP	ACTION, DISCUSSION
Welcome and introductions	0:00:00	
SWARM announcements- Target date for completion of year end A/R reporting was yesterday. Please submit your reports as soon as possible.	0:01:05	Gerold reminded everyone that the target date for year-end A/R reporting was yesterday (9/16), this is just a date to encourage early submissions to allow sufficient time for SWARM to review and provide comments/questions and for any needed corrections to be submitted before the October 1 deadline. The sooner you submit the more time there will be to ensure any corrections are completed before the deadline.
Private Collection Firm RFP in 2025	0:04:45	Gerold shared that the current statewide price agreement for private collection firms is going to be expiring and SWARM is going to facilitate a work group to review the current statement of work and identify if there are any edits/additions/deletions needed for a new RFP which will be conducted later in 2025. We will also be looking for volunteers to participate in reviewing submitted proposals. Agencies should note that while this mostly impacts DOR for agencies subject to centralization, however if there are any remaining accounts that an agency directly assigned before centralization started there could be an impact if that vendor is not selected for the new contract.
2025 Legislative concepts submitted?	0:09:25	Gerold asked if any agency has submitted an A/R related legislative concept. SWARM monitors those concepts and any resulting bills through the legislative session. None were

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		<p>discussed. If you later identify any concepts or bills that SWARM should monitor during the session, please call or email Gerold with the details.</p>
<p>Collections industry news- CFPB and courts are cracking down.</p>	<p>0:10:30</p>	<p>Gerold shared a couple of recent articles/announcements from various trade groups in the Accounts Receivable industry. First is the Consumer Finance Protection Bureau recently released their 2024 Annual Report on the Fair Debt Collection Practices Act (FDCPA) and there were a couple of items that I noticed. First, consumer debt has more than doubled in the last 20 years, while the number of third-party collectors has decreased by roughly 25%. The decrease in collectors could be due to mergers of businesses so the count decreases while the overall capacity remains. Second, one of the biggest FDCPA complaints received is regarding attempts to collect a debt that is not owed (53% of complaints). Of nearly 70,000 complaints that the CFPB sent to companies for review and response roughly 80% were “closed with explanation”. This could be a sign that there is inadequate documentation to prove the debt, resulting in the collection agency closing the account (and reporting to credit bureaus in consumer accounts). When third party collectors attempt to collect a debt that is not owed it is a violation of the FDCPA and could be subject to penalties.</p> <p>In another newsletter from InsideARM there was an article regarding a district court ruling that the debt collector’s attempts to collect an unpaid apartment debt violated the FDCPA because the balance was inflated because the plaintiff had forfeited her security deposit. The trial court granted summary judgment in favor of plaintiff, concluding that the strict liability provisions of the FDCPA made defendant liable for collecting an incorrect balance even though defendant had a “reasonable belief” that the amount it was trying to collect was accurate. The court said that “even if Defendant’s error were bona fide, Defendant fails to satisfy its burden of demonstrating that it had ‘maintained procedures reasonably adapted to avoid the violation,’” in simply relying on the representation on the validity of the debt from the creditor.</p> <p>Both cases show the importance of documentation to support a debt that is assigned to collections. Since there is no statute of limitations on state debt it is imperative that agencies ensure their procedures ensure that proper records are maintained, including after write-off. While there is a records retention schedule that typically refers to 6 years after a financial transaction, agencies should consider maintaining records, even if electronic scans of account documentation until an account becomes paid in full. This would ensure agencies can properly provide proof of a debt when a dispute is raised and could also aid in the process of coding transactions in the</p>

		future should it become necessary to reestablish a debt if a future payment is received (such as a kicker offset or wage garnishment).
Roundtable	0:22:05	<p>Michelle at BOLI asked an LFO reporting question regarding their exemptions are the same ending balance as last year, should she change that? These are open judgments that went to DOR previously and have been written off but still reported because the judgment hasn't expired. Gerold replied that if they were financially written-off it is acceptable to report them to LFO as a write-off even though the judgment is still able to be enforced.</p> <p>Svetlana at DHS asked if any agency has had a similar situation where a refund check was issued but not cashed, the funds were turned over to unclaimed property, the agency has now determined that the refund should not have been issued and needs to collect the funds back. Gerold shared that agencies with warrant authority can use that to garnish the property from the unclaimed property program at the State Treasurers Office (used to be at State Lands).</p>
Adjournment	0:30:50	The meeting was adjourned at 2:31 pm

Next meeting:

Tuesday, November 19, 2024

2:00pm – 3:30pm via Teams ([meeting link](#))

(upcoming meeting dates are available at: [State of Oregon: Accounting and reporting - Statewide Accounts Receivable Management](#), please add these to your calendar if you would like to attend)