COLLECTIONS PROCESS MANUAL

Office of Attorney General's collection process to collect debt for State Agencies and State Universities

PENNSYLVANIA OFFICE OF ATTORNEY GENERAL

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INTRODUCTION

Agencies have the responsibility to collect on delinquent accounts in accordance with Management Directive 310.10. Once an agency exhausts all local collection efforts and has satisfied the three Dunning Letter requirement in MD310.10, the agency is authorized to refer their delinquent accounts to the Collections Unit under the Comptroller of the Pennsylvania Office of Attorney General (hereinafter referred as OAG). The OAG is statutorily authorized to collect delinquent debt for all state agencies and state universities within the Commonwealth of Pennsylvania.

The OAG's collections process is as follows:

- The OAG sends out 2 dunning letters (30 days apart);
- The OAG sends out 3 dunning letters if the debt is over $10,000.
- If the OAG has exhausted its attempt to collect the debt, the debt is then referred to a
    - First placement vendor and will work the accounts for 180 days; if efforts are exhausted the debt will then be referred to a Second placement vendor;
    - Second placement vendor will work the accounts for 380 days.
- After the debt has been exhausted by the efforts of the OAG, first and second placed vendors, the debt will automatically cancel as "exhausted."

I. <u>REFERRALS</u>

The OAG will provide two user IDs and passwords to each agency. This information provides access to the FESWebsite. (Instructions on referring accounts through the FESWebsite, please see Exhibit I.)

A. International Referrals. All international referrals should be emailed to Finenf@attorneygeneral.gov providing the same referral information that is required. OAG will place these through the system manually.

B. Lexus Nexus. Lexus Nexus (LN) is a vendor that is contracted with the OAG to provide an address / death / bankruptcy scrub on all referrals to update information.

1. Before submitting the referral, if you know the address is not valid, check the "Bad Address" block. Once the OAG receives the referral, the referral will automatically be sent through LN for an address scrub.

2. If there is a new address, the referral will then be updated and sent through the collections workflow.

3. If there is not a new address, the referral will then be placed with a first placement vendor.

II. PAYMENTS

Even though the OAG is collecting on a referred debt, agencies will still receive payments from the debtor rather than sending them to the OAG. In this instance, the agency will then need to apply those payments through the FESWebsite. (Instructions on applying payments through the FESWebsite, please see Exhibit I.)

A. Payment Types (IMPORTANT)

1. Direct Payments – use this payment type when the agency receives a payment directly from the debtor.
2. Increase – use this payment type if adjusting the account to reflect a corrected balance.
3. Decrease – use this payment type if adjusting the account to reflect a corrected balance.

III. REPORTS

A. Acknowledgement Report. Upon receiving referrals, the OAG will provide each agency a new business "Acknowledgement Report" that indicates the name, Artiva number (OAG's system), client reference number (number the agency assigns to the account), and dollar amount. This report is provided on a daily basis as referrals are processed and needs to be reviewed for any errors that need to be corrected.

- OAG will correct any errors on the name or client reference number;
- Agency will need to correct the dollar amount through the FESWebsite.

B. Cancel Report. The Cancel Report shows those referrals that have been either "exhausted" or returned to the agency / university at their request. This is emailed around the 5th of each month.

C. Client Statement Report. The Client Statement Report provides accounting information on the transactions on each referral.

1. Summary of monthly transactions; net of commissions paid to vendors.
2. Amount deposited into SAP (SAP clients only).
3. Check remitted for non-SAP agencies / universities w/copy of Client Statement.
4. Breakdown of each payment / adjustment transaction on each referral shown as:
   - OAG receiving payment, applying correction or NSF;
   - vendor receiving payments; or
   - Client receiving payment.

SAP agencies will receive their client statements by email around the 5th of each month.

IV. DATA EXCHANGE BY FILES

A. Weekly Payment File

A "Weekly Payment File" is processed and placed on the FESWebsite (under "Response Files") Friday mornings. This is not a user friendly file as the file was created for the agencies who are uploading referrals and payments to us through their IT Department.

B. Monthly Cancel File

A "Monthly Cancel File" is processed and placed on the FESWebsite (under "Response Files") on the first of every month for the previous month. This file mirrors the "Cancel Report" with the only difference being the cancel file shows those accounts that were automatically paid in full. This is not a user friendly file as the file was created for the agencies who are uploading referrals and payments to us through their IT Department.

V. WRITE-OFF REQUESTS

The OAG will review write-offs for debt that are over $100. Please complete the **revised** STD-199 form under Management Directive 310.10.

- Upon receiving the Cancel Report, any account with a reason as "Exhausted" indicates the OAG exhausted all collection efforts in accordance with the Commonwealth Attorneys Act. Therefore, no write-off request is required for review by the Office of Attorney General.

- Write-Off Requests for Bankruptcy Accounts – please see section "VI. Accounts in Bankruptcy."

VI. <u>ACCOUNTS IN BANKRUPTCY</u>

Accounts that have been referred to the Collections Unit of the Office of Attorney General will be returned to the referring agency when a bankruptcy petition has been filed by the debtor. The automatic stay in a bankruptcy case prohibits further collection activity once the petition has been filed.

- Monitoring of the bankruptcy case, including the filing of a proof of claim and the possibility of a distribution, will then be the responsibility of the referring agency.

- If the agency receives a bankruptcy notice with respect to an account that has been referred to the Collections Unit, send it directly to the collector assigned to the account, or you can email it directly to me. The account will be closed with a cancel code "bankrupt" and returned to the agency.

- If the Collections Unit receives a bankruptcy notice, we will close the account with a cancel code "bankrupt" and provide a copy of the document to the agency.

- A Discharge Order or any other Order of a Bankruptcy Court affecting a claim will not be reviewed by the Office of Attorney General.

EXHIBIT I

FINANCIAL ENFORCEMENT WEBSITE INSTRUCTIONS

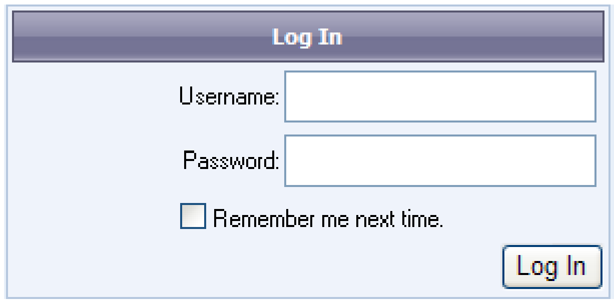
Introduction

- Your user Id and password have been sent to you under separate cover.
- If you lose or forget your user id and/or password, please contact : FESAdmin@attorneygeneral.gov.
- Please either use Initial Caps or UPPER CAPS when providing information. All information through this referral application will be passed electronically to the letter generation process. (For example: John Doe or JOHN DOE …**not**… john doe.)
- The *Client Reference #: field must be unique for each claim you submit. It can be any combination of letters and/or numbers up to 30 characters. DO NOT USE SYMBOLS (ex. -, *, @) OR SPACES).

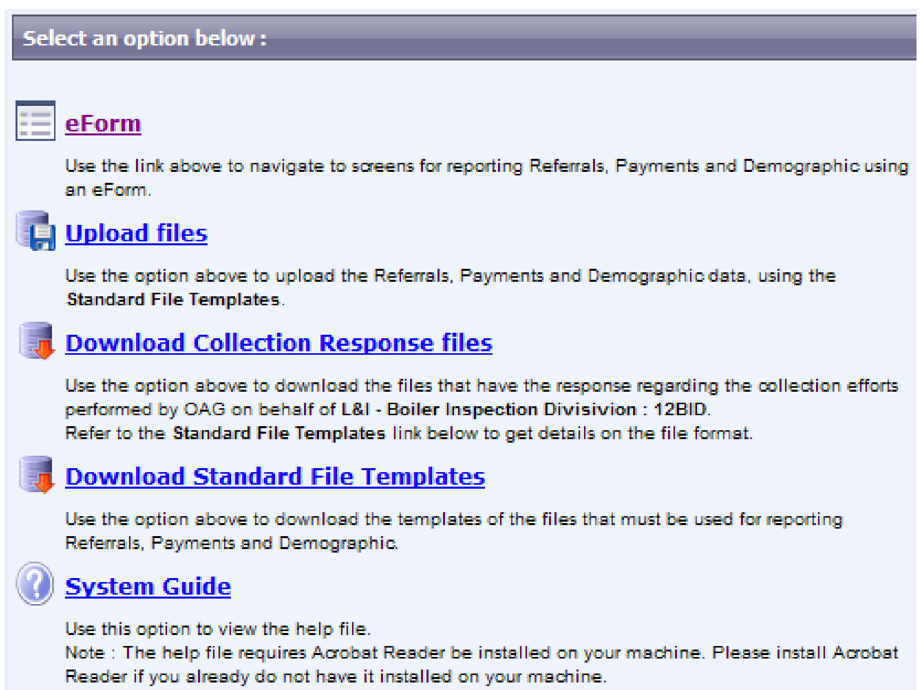
To Access the Web Application

Go to: https://fes.attorneygeneral.gov

At the login screen type in the Username and Password given to you by the Office of Attorney General.



At this screen, select one of the options:



Definitions of each option:

eForm allows you to report referrals, payments and demographics using an electronic form.

Upload files allows you to upload the same information using standard file templates.

Download Collection Response files allows you to download the files that have a response regarding the OAG's collection efforts

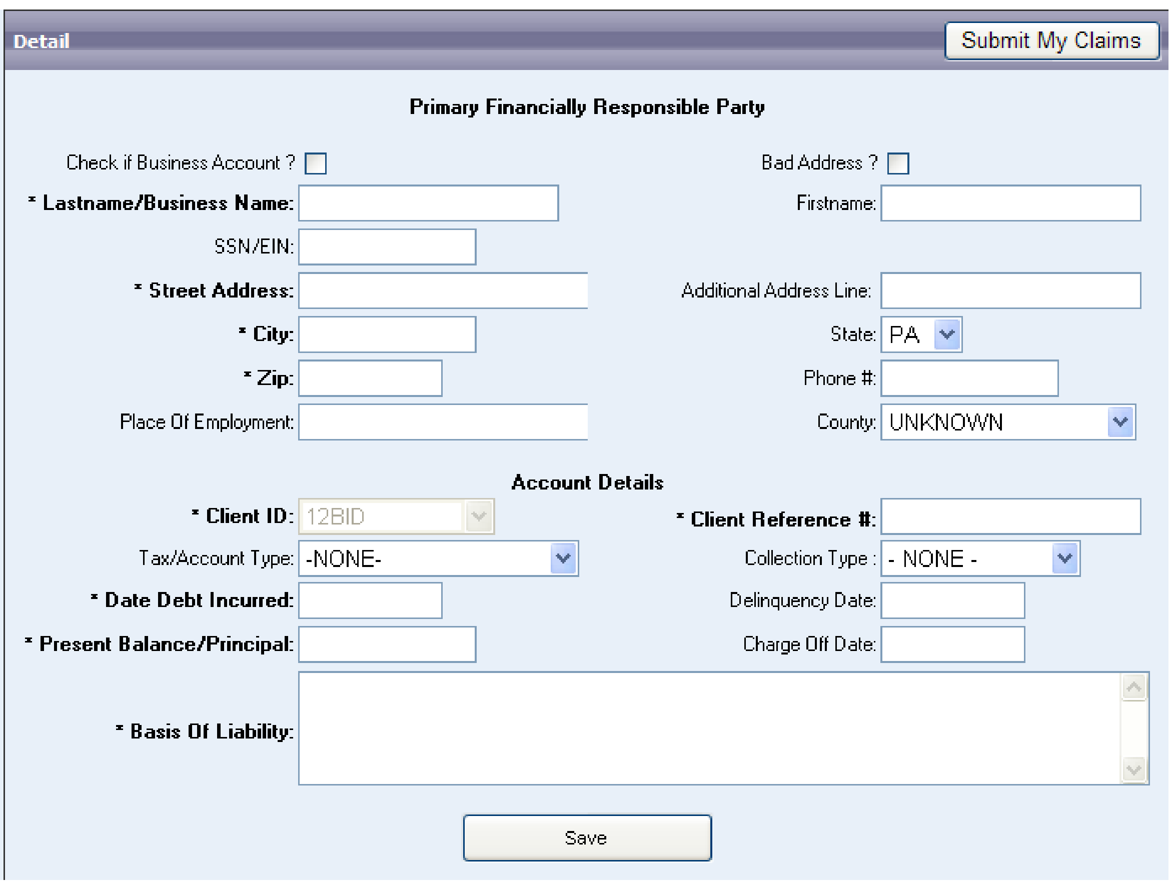
Download Standard File Templates is for use in downloading the templates that must be used for reporting referrals, payments and demographic changes.

To Report Referrals Using an Electronic Form

Click eForm 

.

Click Add Claim 



Detail — Submit My Claims

Primary Financially Responsible Party

Check if Business Account ?

Bad Address ?

* Lastname/Business Name:

Firstname:

SSN/EIN:

* Street Address:

Additional Address Line:

* City:

State: PA

* Zip:

Phone #:

Place Of Employment:

County: UNKNOWN

Account Details

* Client ID: 12BID

* Client Reference #:

Tax/Account Type: -NONE-

Collection Type : - NONE -

* Date Debt Incurred:

Delinquency Date:

* Present Balance/Principal:

Charge Off Date:

* Basis Of Liability:

Save

Notes: Fields in *** bold** are required. The ***Client Reference #:** (formerly Docket #) field must be unique for each claim you submit. It can be any combination of letters and/or numbers up to 30 characters.

When you have completed the input of the claim information click 

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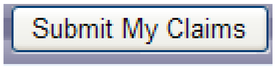
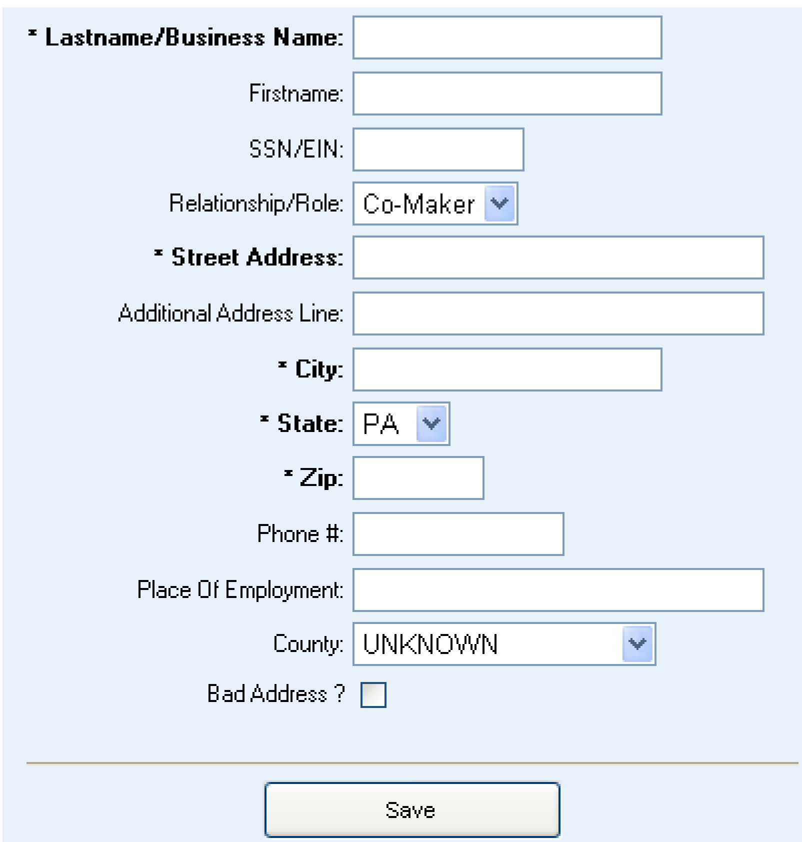
Do not click 

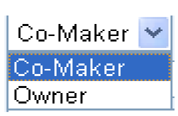
until you have completed **all** your information for this session. This button will submit all claim information for this session.

<u>To Add An Additional Person To A Claim</u>

Click 



Notes: Fields in *** bold** are required. The Relationship/Role option will default to Co-Maker, however you may select either Co-Maker or Owner.



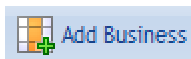
When you have completed the input of the person's information click 

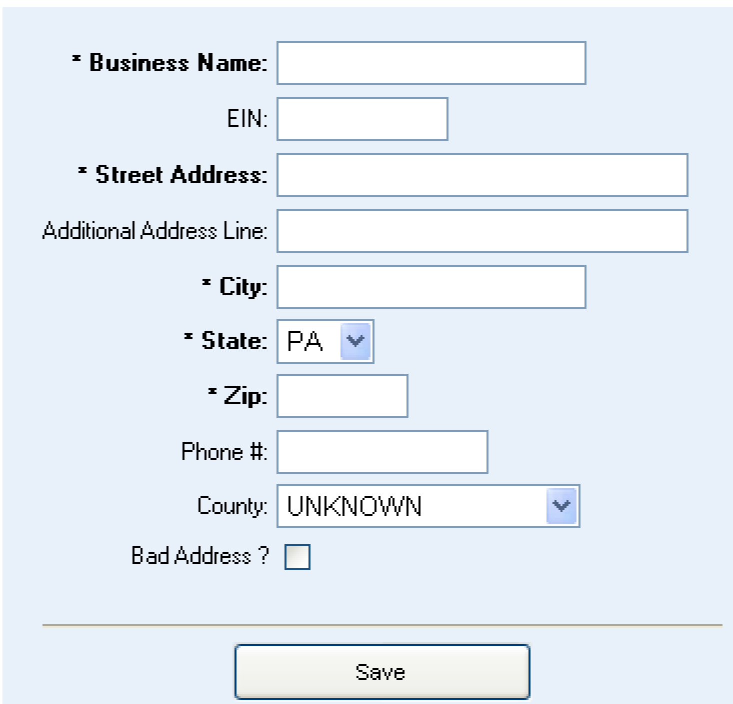
. Additional people may be added.

Do not click 

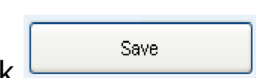
until you have completed **all** your information for this session. This button will submit all claim information for this session.

To Add a Business to a Claim

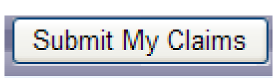
Click Add Business 



Notes: Fields in *** bold** are required.

When you have completed the input of the business information click 

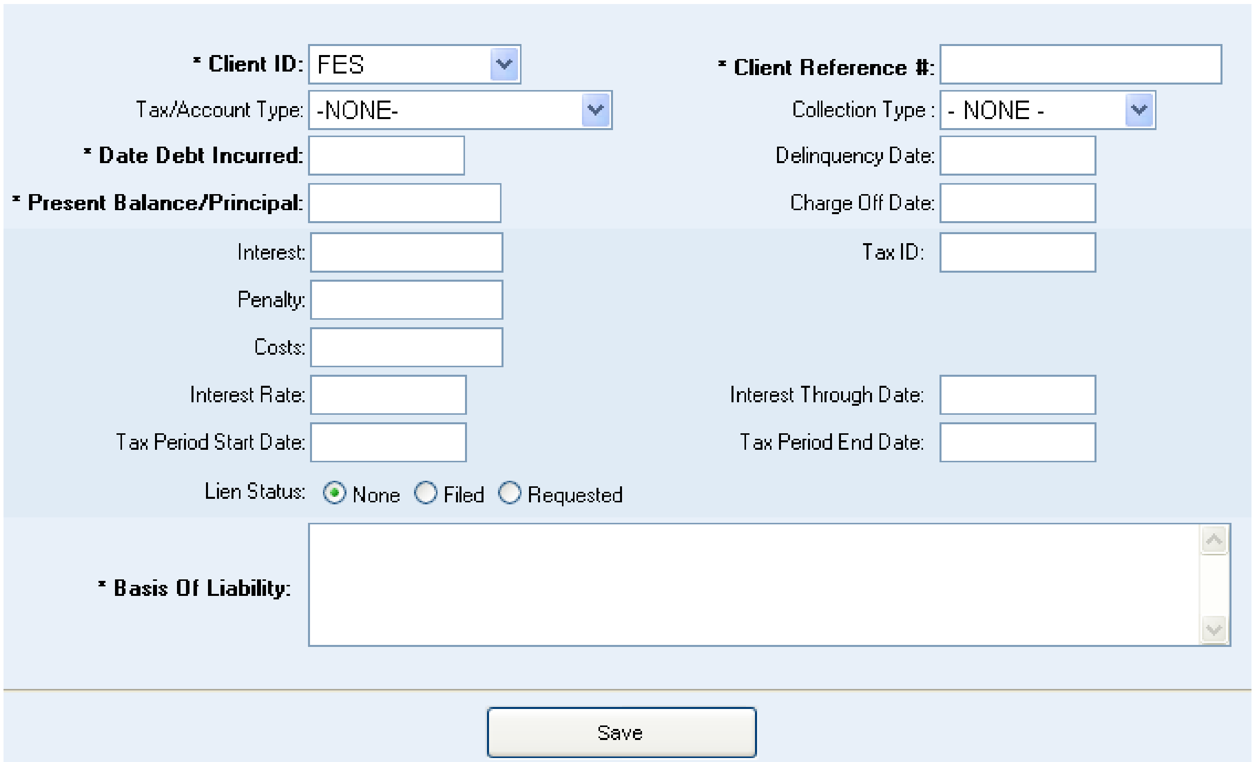
. Additional businesses may be added.

Do not click 

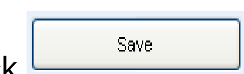
until you have completed **all** your information for this session. This button will submit all claim information for this session.

Add an Additional Account to this Claim

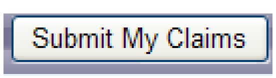
Click Add Account 



Notes: Fields in *** bold** are required. A new Client Reference # will be required for each account.

When you have completed the input of the account information click 

. Additional accounts may be added.

Do not click 

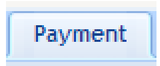
until you have completed **all** your information for this session. This button will submit all claim information for this session.

To Delete a Claim/Person/Business

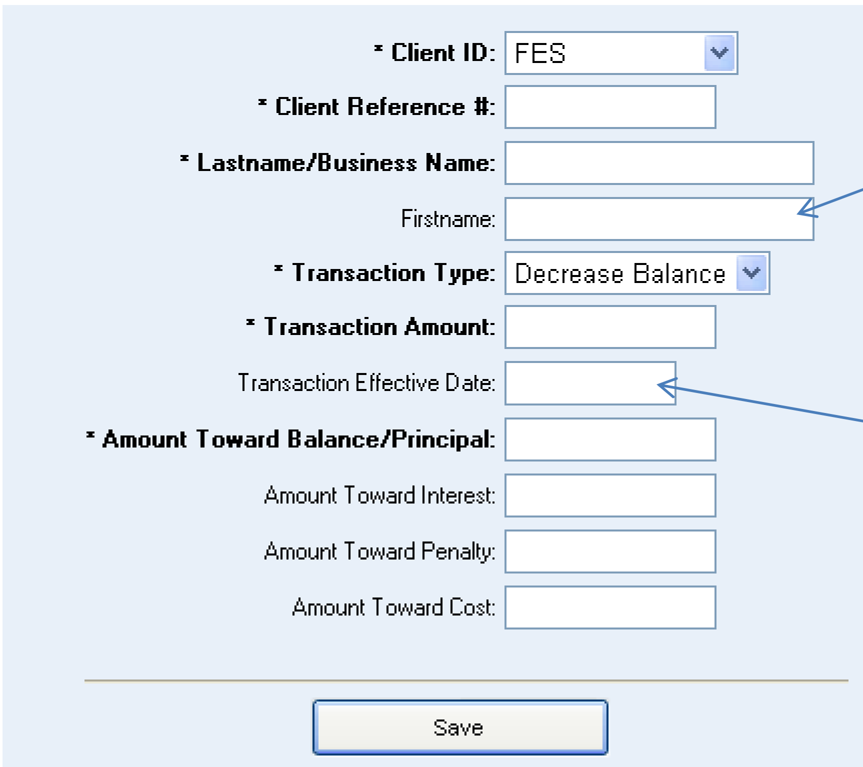
Select the Claim/Person/Business from the treeview.

Click Delete Claim/Delete Person/Delete Business.

To Add a Payment

Click the Payment tab 

Click Add Payment 

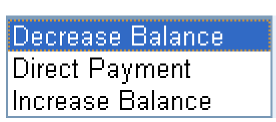


For all individuals, please provide the first name.

When applying a payment, use the date you received the payment.

Notes: Fields in * **bold** are required. The Client ID: is a value assigned to each Referring Agency by the OAG. The value identifies the Agency with the Artiva Collection System. Click the downward pointing arrow and select the Client ID appropriate for your Agency.

The Transaction Type identifies how and why the balance should be decreased. The default type is Decrease Balance, however other options are available:



1. Direct Payments – use this payment type when the agency receives a payment directly from the debtor.
2. Increase – use this payment type if adjusting the account to reflect a corrected balance.

3. <u>Decrease</u> – use this payment type if adjusting the account to reflect a corrected balance.

When you have completed the input of the payment information click Save. Additional payments may be added.

Do not click Submit My Claims until you have completed **all** your information for this session. This button will submit all payment information for this session.

<u>To Delete a Payment</u>

To delete a payment, select it from the treeview on the left and click Delete Payment Delete Payment.

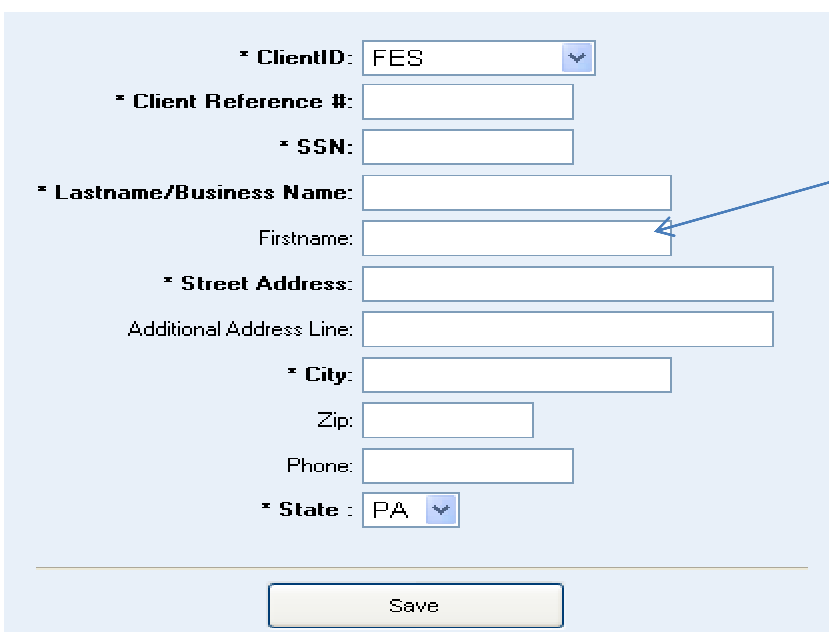
<u>To View a List of All Payments</u>

To view a list of all payments for this session click List All payments.

<u>Demographic Information</u>

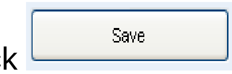
To change an address/phone number click the Address/Phone tab Address/Phone

Click Add Address/Phone



For all individuals, please provide the first name.

Notes: Fields in *** bold** are required. You must include all information for the change.

When you have completed the input of the address/phone number click 

. Additional address/phone number changes may be added.

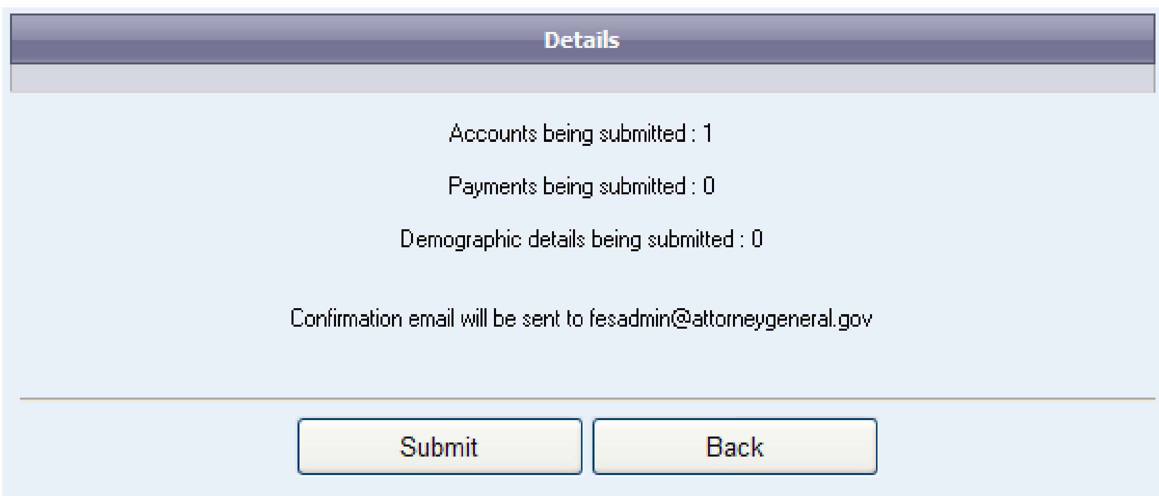
Do not click 

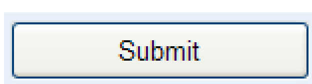
until you have completed **all** your information for this session. This button will submit all claim information for this session.

<u>To Submit Your Work</u>

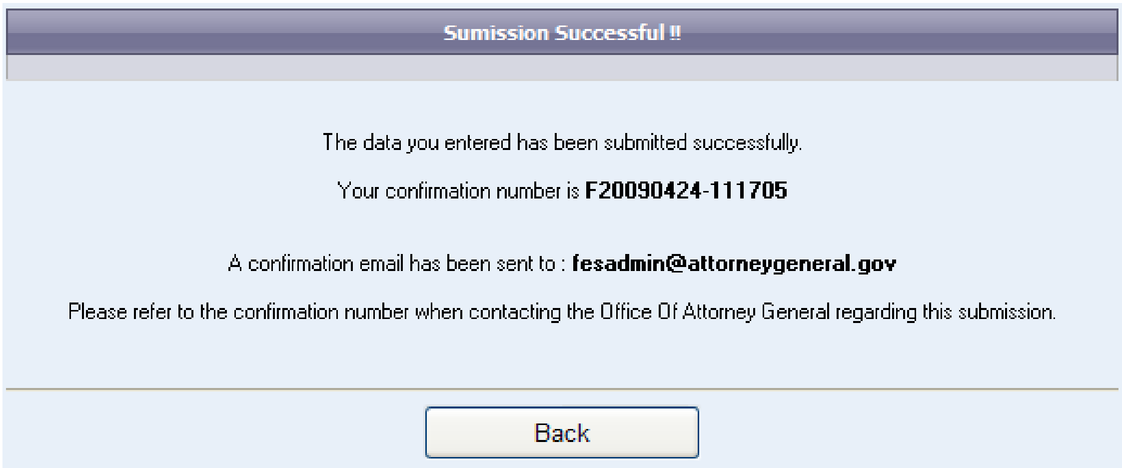
Once you have completed your session, click Submit My Claims 

The Details screen confirms the number of Accounts, Payments or Demographic details being submitted:



Click Submit 

A confirmation window appears:



You may now sign out of the FES web application