



Expanding Collections Tools (Subtitled – New Light through Old Windows)

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_experience the commitment™

Introduction

- Jim Hale, CGI Executive Consultant
- Over 20 years developing and implementing collection and compliance solutions
- Focusing on the public sector since 1993

Today's Environment



- Government Challenge:
 - Increase revenue
 - No funding for new programs to raise revenue
 - No funding for additional resources

Approach to the Discussion

Started off with:

*“If I were the Director of Collections for **<insert state>** what collection initiatives would I want to focus upon?”*

Ended with:

*“If I were the Director of Collection for **<insert state>** what collection initiative would I want to see if I could breath new life into or expand....?”*



Approach to Discussion

- Lay the ground work with the foundation concept....
-and than let's see if we can breath some new life into the foundation concept.

Take Home List

- Legal Action Related Initiatives
 - Electronic Liens
 - Bank Match
 - Professional License Revocation
- Supporting Initiatives
 - Federal Offset Program
 - Expanded Data Matching
 - Improved Outside Collection Agency Management
 - Self Service Channels
- Enterprise or State Wide Initiatives
 - Decision Analytics
 - Centralized Collections



Foundation Automated Legal Actions

- Challenge
 - Manually intensive to generate and support the legal lifecycle
- Solution
 - Automatic Generation of Legal Actions
 - Examine the full legal action lifecycle, initiation, update, and release
 - Identify new asset sources
 - Look at liens, levies, and garnishment
 - Significant potential benefits to reducing the manual intervention
- Successes
 - Iowa (this fall)
 - California



Extensions to Legal Actions.....Electronic Lien Filing

▪ Challenge

- Most of the current structures in states require filings at the county
- The majority of county filings are still driven by paper

▪ Solution

- Interim Solution

- Many larger counties in a state can accept electronic liens
- Drive the generation of paper vs. electronic at the count level

- Emerging Solution

- Introduce an agency to centralize and standardize land record information
- Among other functions provides a central point to send lien filing information which is distributed to the counties

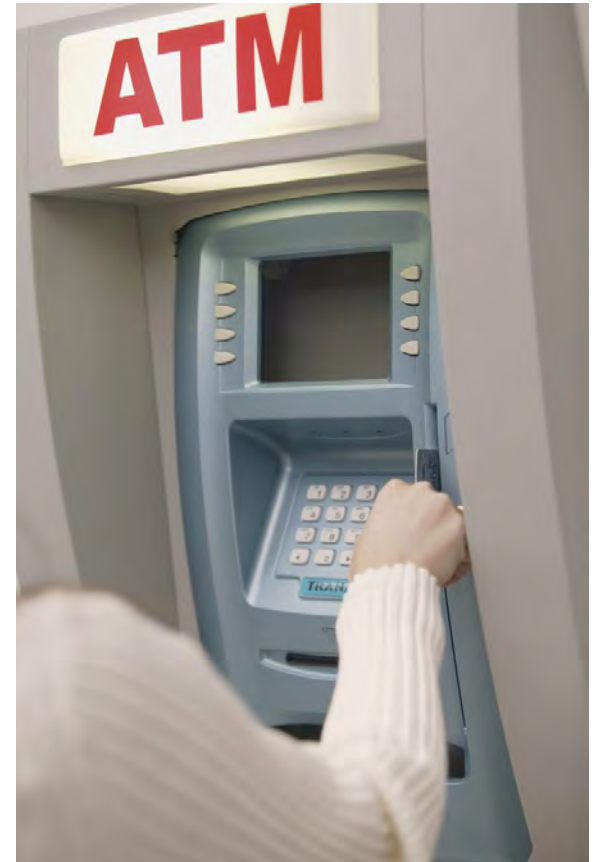
▪ Successes

- Michigan
- Iowa



Extensions to Legal Actions.....Bank Match

- Challenge
 - Bank levies have traditionally been somewhat “hit or miss”
 - You can get bank information from the IRS but is it dated
- Solution
 - Interim Solution
 - Capture the banking information during remittance processing for later consumption by collections
 - Emerging Solution
 - Electronically matching taxpayers with banking information prior to the issuance of the bank levy
- Successes
 - North Carolina (in January)
 - Maryland



Extensions to Legal Actions.....Professional License Revocation

- Challenge
 - Identifying new legal actions beyond the traditional three...
- Solution
 - All states revoke sales tax license but not all revoke professional license
 - Concept
 - Provide list of taxpayer for matching purposes to professional agencies
 - Professional agency supplies matches for taxpayer up for renewal
 - Renewal is prevented until delinquency is partial or fully resolved
- Successes
 - Minnesota
 - Missouri

Foundation Offsets

- Opportunity
 - Sharing of information between agencies to identify common debtors
- Solution
 - Flow the identification and payment requests in multiple directions
 - Revenue Departments or Comptrollers can play a roll in centralizing the information
- Successes
 - Virginia
 - North Carolina (in January)

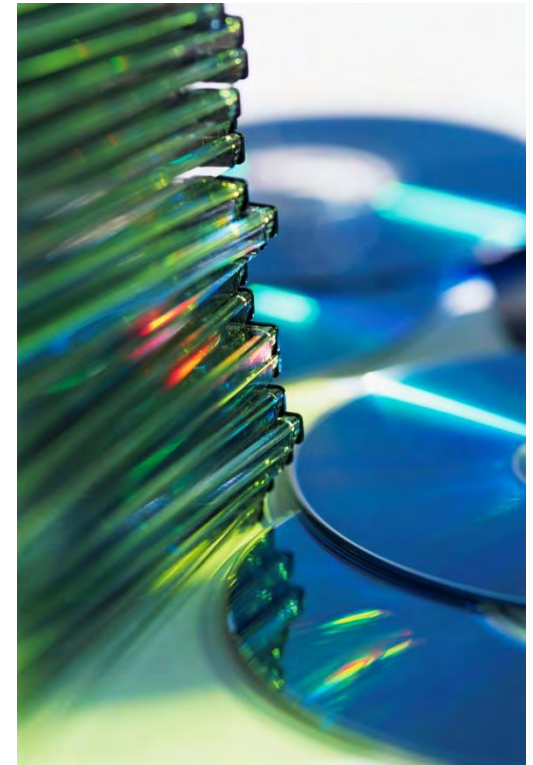


Supporting Initiatives - Offsets

- Opportunity
 - The Treasury Offset Program (TOP) is expanding this year to businesses
- Solution
 - Structure and process similar to individuals
 - Particularly interest to state with significant federal presence (common domain of vendors)
- Successes
 - North Carolina (in January)

Supporting Initiatives - Data Matching and Mining

- Challenge
 - Most states are leveraging other agencies and third party tools
- Opportunity
 - Provide DOR information to other agencies when legally possible
 - Use third-party sources
 - Improved “Fuzzy Matching” logic and increased accessibility of information
 - Additional source for corporate officers
 - Homestead Exemptions
 - Deceased Fraud
- Success
 - California
 - Counties in Florida



Supporting Initiatives - Improved Outside Collection Agencies (OCA) Management

- Challenge

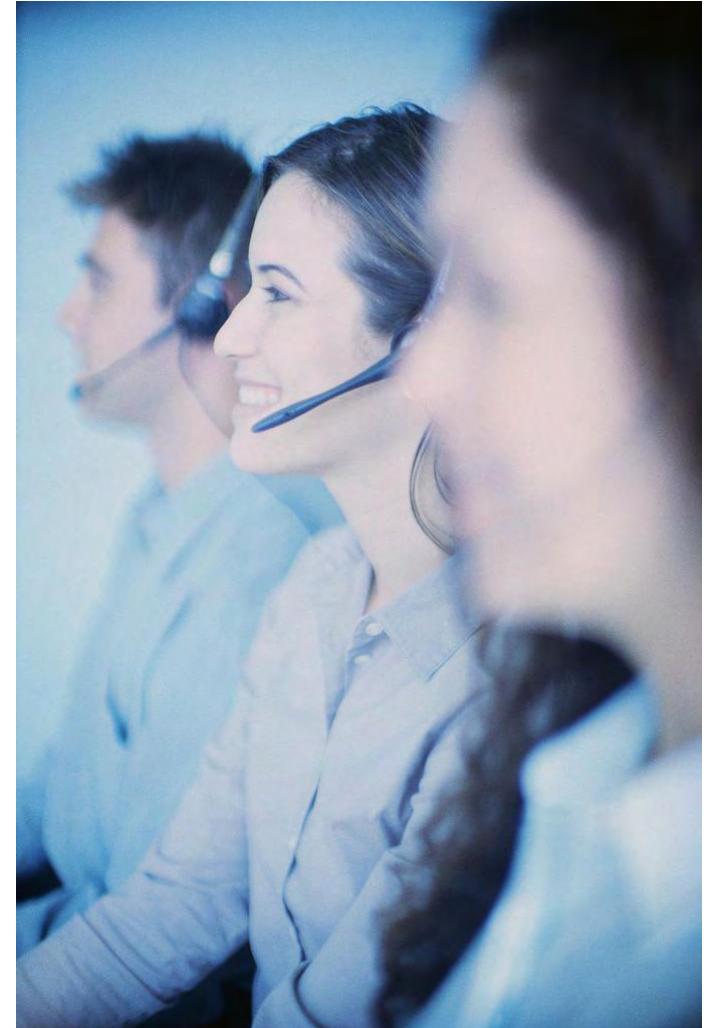
- Improving the intelligence used in Outside Collection Agency assignment
- Improving ongoing management of your OCA partners

- Opportunity

- Two challenges go hand in hand
- Capture the information to support a scorecard
- Use the scorecard to govern assignment
- Think about this before procurement

- Success

- IRS (let me explain)
- Department of Education



Supporting Initiatives – Self Service

- Challenge
 - EFT and internet installment agreements have become standard practice
- Opportunity
 - Introduce Credit Card as payment option for installment agreements
 - Permit installment agreement over the phone through IVR integration
 - Enforce EFT or Credit Card as the standard payment channel
- Success
 - Missouri
 - Virginia



Enterprise – Decision Analytics

■ Challenge

- Decision Analytics have been used for over decade in support of collections and audit

■ Opportunity

- Expand the use of decision analytics:
 - Customer Service
 - Filing Enforcement/Tax Discovery
 - Fraud Detection
 - Strategic Planning

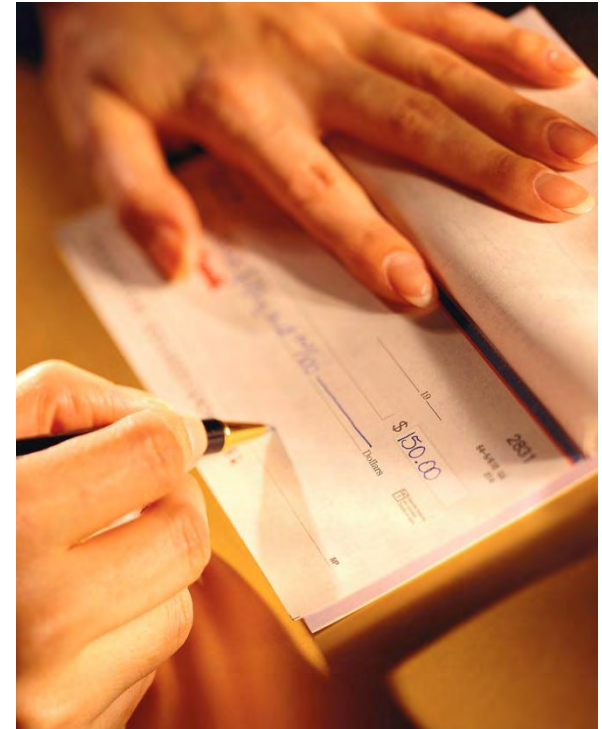
■ Success

- Virginia
- Missouri



Enterprise - Government Debt Collection Consolidation

- Challenge
 - Core tax agency activity, armed with information sources, tools and legal authorities
 - Many other agencies not equipped to collect on their non-tax receivables
- Solution - Centralize
 - Collect for multiple agencies and debt types
 - Eliminate redundant same debtor activities
 - Provide economies of scale
- Client Success
 - Michigan
 - California



Enterprise – Hosted Solutions or Managed Services

- Challenge
 - With the retirement bubble being to take effect and limited budgets prevented the acquisition of new staff tax departments are looking for methods to maintain current service levels
- Solution -
 - Examine hosted solutions or managed service
 - Lower cost of entry
 - Steady known costs
 - Frees the department to focus on core mission, collecting taxes
- Client Success
 - Michigan

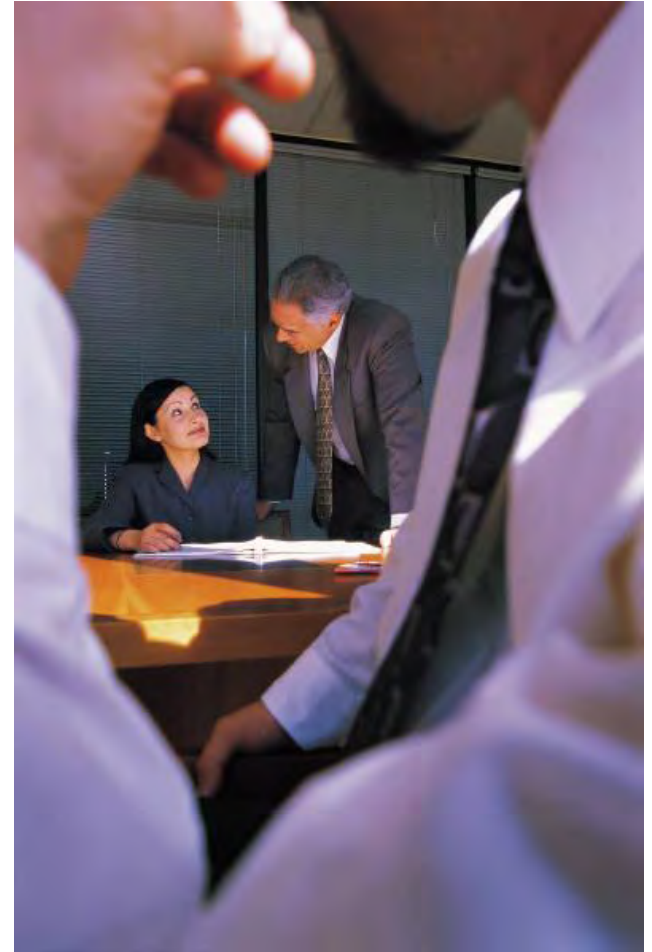
Today's Environment - Revisited



- Government Challenge:
 - Increase revenue
 - No funding for new programs to raise revenue
 - No funding for additional resources
- Response
 - Provide for new ways to expand or enhance existing programs
 - Examine alternative funding models

Operational Review

- CGI and the agency partner together to perform a brief operation review
- Studies typically last between 2-3 days
- Collection experts work with agency's SME's to understand and gain insight into the agencies business
- Assimilate the information and compare against best collection practices catalog
- Determine short and long term initiatives to increase revenue
- Prepares an ROI analysis



Contact Information

ISO 9001 Certified



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About the Presenter

- *22 Years of Information Technology experience*
- *13 Years with CGI exclusively working with State, Federal and Local collection operations*
- *Experience with many different tax agencies throughout the United States and abroad*
- *Performed numerous Collection Operational Reviews*