

# Agency Collection Programs

Maximize your collection efforts



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## AGENCY COLLETION PROGRAMS:

STATE DEBT COLLECTION  
(SDC)  
&  
TAX REFUND INTERCEPTION PROGRAM  
(TRIP)



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## Setoff hierarchy - Section 71.93, Wis. Stats.

Refunds are setoff in the following order:

1. Wisconsin Department of Revenue (DOR) administered debts
2. Child support debts referred by DCF
3. SDC debts referred by state agencies
4. SDC debts referred by local governments
5. TRIP debts referred by state agencies
6. TRIP debts referred by local governments
7. Federal government debts
8. TRIP debts referred by Tribal governments
9. Other states' debts



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## STATE DEBT COLLECTION (SDC)



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### SDC Program



#### SDC

State Debt Collection Program

Sec. 71.93(8), Wis. Stats.

- State agencies are required
- Local governments and courts may participate



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### Agency Collections



#### SDC

State Debt Collection Program

The difference between SDC and TRIP is that DOR becomes collector of the SDC debt.

*Agency must stop all collections*



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## Agency Collections



### SDC

State Debt Collection Program

DOR uses same authorities as individual income tax collections:

- Payment plan
- Wage attachment
- Financial institution levy
- Refund offset



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## SDC Program



### Debts to refer

- Debt balance > \$50
- Debt amount must be final
- Aged at least 90 days
- Debtor has not paid, or entered into payment plan



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### Debts are certified with:

- **Social Security Number (SSN)**
- **Driver's License Number (DLN)**
- **Federal Employer Identification Number (FEIN)**

*Note: If you do not have one of the three types above, you may need to hire a collection agency to locate the identifier for you.*



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**Professional Placement Services (PPS)** has been selected to provide debtor identifying information (skip tracing) to agencies such as a Social Security Number (SSN) or Federal Employer Identification Number (FEIN). For more information please contact PPS directly.

**PPS Contact Information:**

Karri Thiesenhusen  
Tel: 877-220-4106  
Email: [skip@paypps.com](mailto:skip@paypps.com)



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**How do I submit the debts to DOR?**

Debts are submitted electronically:

- My Tax Account (MTA): single entries
- File Transfer – secure file transfer protocol server (SFTP): multiple debts in a bulk file.



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**SDC Program**



**Referral Notice**

- Similar to TRIP notice
- 30 days prior to referral
- Provide opportunity for debtor to resolve the debt.



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## SDC Program



### Collection Fee

- Debtor is assessed the fee
- Fee = 15% (\$35 minimum) of amount referred
- Fee is satisfied first by statute



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## SDC Program



### Interest

- If your debt has interest, then DOR will assess monthly at the rate you specify
- After fees are satisfied, payments are applied to interest, then debt amount.



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## SDC Program



### Debt balances and updates to debt

- Adjust debt balance either up or down, only if the amount originally sent was in error
- Collection fee, and interest automatically adjust based on new balance



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## SDC Program



### Debt Recall

- Use if the debt was sent in error
- DOR will write off remaining balance and return debt to the agency.



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## SDC Program



### Payments received by agency

- If you receive a payment by check – send the check to DOR
- If you receive an electronic payment – contact us. We will work out the easiest method to resolve.

**NOTE:** If you receive the payment after referral – DOR's collection fee is due.



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## SDC Program



### Reports

- Agency Summary
  - Complete listing of active debtors
  - Bankruptcy info
  - Current balance
  - Collections to date
  - Collection stage



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## SDC Program



### Reports

- Return debt
  - Listing of debts we are returning to your agency.
  - Return reasons include: Satisfied, uncollectible, deceased, minbalance, recalled, mismatchid and businessclosed.



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## SDC Program



### Reports

- Payments
  - Monthly distribution
  - Amounts collected by debtor report
  - Payments are sent by ACH 3 business days after payment report



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### Collection success

- 149 agencies – state and local government
- Debt Roll: \$54,167,909.54
- Largest agencies: UW-Mil (\$14 Million), DWD-WC (\$6 Million)
- Collections: FY12 (\$4.1million), FY13 (\$9.7 million), FY14 (\$12.0 million) and FY15 (\$15.0 million).



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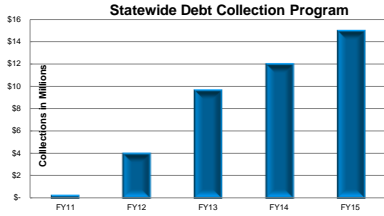
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- FY (July 1<sup>st</sup> - June 30<sup>th</sup>) as of 6/30/2015.



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### SDC Payments

- 37% Voluntary
  - 34% Wage Attachment
  - 18% Refund Offset
  - 11% Levy
- Other less than 1% include: Unclaimed property, vendor setoff



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### SDC University Study

- 2010 UW campuses used TRIP to recover @ \$2 million
- 2012 UW campuses transitioned to SDC program recovery \$3.6 million
- 2013 UW SDC recovery is \$7.2 million
- 2014 UW SDC recovery \$8.5 million
- 2015 UW SDC recovery \$8.7 million



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## SDC Coordinator



To enroll in SDC program, please contact [joseph.mugenga@revenue.wi.gov](mailto:joseph.mugenga@revenue.wi.gov) or 608-264-0344 to obtain:

- Agency agreement
- Banking information form

For more information about SDC program, please review:

- SDC User Guide
- My Tax Account - SDC User Guide
- <http://www.revenue.wi.gov/html/debtcollect.html>



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## TAX REFUND INTERCEPTION PROGRAM (TRIP)



For information about TRIP program, please review:

- [My Tax Account – TRIP Registration and User Guide](#)
- [Operation Manuals and Policy Guides](#)
- <http://www.revenue.wi.gov/ise/trip/index.html>

Contact Information:

- Use *My Tax Account – TRIP Inquiry* to send questions with confidential information or
- Use [trip@revenue.wi.gov](mailto:trip@revenue.wi.gov) for non-confidential questions
- Call 608-264-0344



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## QUESTIONS?



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