

# **ACCOUNTS RECEIVABLE**

**Daily Deposits Processing Guide**

**20.906 Receipts and Deposits Statutory Reference**

**Collections and Write-Offs**

**VendorNet System**

**Statewide Debt Collection**

**Student Loan Management Services**

**University of Wisconsin System  
SFS Accounting Manual**

<b>Category: General Ledger</b>		<b>Effective Date: July 2, 2005</b>
Task or Process: Daily Deposits Processing Guide – FY 2006 and beyond		Revision Date: Oct. 2014
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These guidelines are for deposits made by business units live on SFS and the four Permanent Interface units.

1. Day 1-Campus daily receipts are deposited to a deposit account at their local bank
2. Day 1 or 2 or 3 .....-Campus creates a GL journal in SFS to record a Treasury Deposit amount in a 990 clearing account. A Source Code of DDD must be used for this journal so that it does not get selected for interface to DOA. **See example A.**
  - a) A specific revenue account has been set up in SFS to be used for the daily deposit amount. The account number is 9198 with a title of Daily Deposit-Treasury. This is the only account number that can be used for the revenue portion of a daily deposit journal.
  - b) The GL journal would create a debit to Cash (6100) and a credit to account 9198 in fund 990. The campus decides what Org code to use for this clearing account.
  - c) An SFS query will be run each morning by staff at UWSA to pull the account 9198, fund 990 data from SFS.
3. Day 2 or 3 or 4 .....Staff at UWSA will use the data from the SFS report to initiate the ACH transfer of funds from the campus local accounts to the UWSA deposit account.
4. Day 3 or 4 or 5 .....The ACH withdrawal hits the campus local bank accounts.
5. Day 4 or 5 or 6 .....Staff at UWSA will use the deposit totals from the SFS report to prepare the online CR document to report the UW receipts to WiSMART. When this CR document posts in WiSMART it creates the DOA equivalent of the 990 amount created in SFS in item number 2. An ACH is processed to transfer funds from the UWSA deposit account to the State Treasury.
6. Day whatever-The campus posts receipts to various funds/orgs/accounts in SFS. **See example B.**
  - a) The journal in which this distribution is performed must contain a 990 clearing account revenue reduction equal to the total amount distributed to all other accounts. This balancing effect within the journal is necessary so that a balanced journal document can be created when we pull that data from SFS to interface to DOA. This journal would be given a normal Source Code (e.g. INT).
  - b) The 990 clearing account reduction transaction serves the purpose of zeroing the clearing account.

- c) The 990 reduction transaction should be coded to account 9182 so that it does not contaminate the SFS Daily Deposit report described in number 2. **Do not use account 9198 for this transaction.**
- d) The revenue distribution totals and offsetting 990 reduction amount do not have to match the 990 daily deposit amount (coded to 9198) on a daily basis. The campus must only insure that the 990 clearing account is at a zero balance at the end of the fiscal year.

**Example A: GL journal entered by campus staff to identify the amount of funds to be transferred to the State Treasury**

BU	Fund	DeptID	Source Code	Account	Debit Amount	Credit Amount
UWOSH	990	123456	DDD	6100 (Cash)	1,000	
UWOSH	990	123456	DDD	9198 (Rev)		1,000

**Example B: A GL revenue distribution journal is created from an excel upload, from running Journal Generator in AR/BI, or via direct online entry.**

BU	Fund	DeptID	Source Code	Account	Debit Amount	Credit Amount
UWOSH	128	034562	INT	9300		100 **
UWOSH	128	034562	INT	6100	100	
UWOSH	128	034563	INT	9142		100 **
UWOSH	128	034563	INT	6100	100	
UWOSH	128	034567	INT	9144		100 **
UWOSH	128	034567	INT	6100	100	
UWOSH	131	021598	INT	9101		100 **
UWOSH	131	021598	INT	6100	100	
UWOSH	131	021599	INT	9115		100 **
UWOSH	131	021599	INT	6100	100	
UWOSH	131	021587	INT	9113		100 **
UWOSH	131	021587	INT	6100	100	
UWOSH	131	021548	INT	9107		100 **
UWOSH	131	021548	INT	6100	100	
UWOSH	990	123456	INT	6100		700
UWOSH	990	123456	INT	9182	700 **	
			Journal Totals	6100	700	700
				9xxx	700	700

**Note:** The 990 transactions must be included in the same GL journal that distributes the revenue to the appropriate accounts.

**Note:** The amounts that have the asterisks identify the GL transactions that would be selected for interface to DOA from this journal.

**Note:** The \$700 debit to the 990 clearing account from this journal creates a partial clearing of the \$1000 credit to the clearing account created in example A. The clearing transaction is not coded to 9198 so that it does not contaminate the data used for identifying the daily deposit amount.

**Note:** SFS business units that are using the AR/BI modules or those that may have data feeding into SFS from a Student Administration system, may have journals that include Accounts Receivable transactions coded to a balance sheet accounts 6200 and/or 6210. Those business units will have to manually enter a debit to their 990 clearing account and an offsetting entry to Cash in all of those journals. When data is extracted from SFS to interface to DOA, all of the account 6100, 6200, and 6210 transactions will be dropped so that we are only sending the revenue transactions. Those revenue transactions should have equal amounts of debits and credits within each journal. See the example below for an illustration of this concept.

BU	Fund	DeptID	Source Code	Account	Debit Amount	Credit Amount
UWEXT	128	034562	AR or INT	9300		100 **
UWEXT	128	034562	AR or INT	6200	100	
UWEXT	128	034563	AR or INT	9142		100 **
UWEXT	128	034563	AR or INT	6200	100	
UWEXT	128	034567	AR or INT	9144		100 **
UWEXT	128	034567	AR or INT	6200	100	
UWEXT	131	021598	AR or INT	9101		100 **
UWEXT	131	021598	AR or INT	6200	100	
UWEXT	131	021599	AR or INT	9115		100 **
UWEXT	131	021599	AR or INT	6200	100	
UWEXT	131	021587	AR or INT	9113		100 **
UWEXT	131	021587	AR or INT	6200	100	
UWEXT	131	021548	AR or INT	9107		100 **
UWEXT	131	021548	AR or INT	6200	100	
UWEXT	990	123456	AR or INT	6100		700
UWEXT	990	123456	AR or INT	9182	700 **	
			Journal Totals	6100	700	700
				9xxx	700	700

**Note:** The two transactions highlighted in gray are those that business units would need to manually add to all revenue distribution journals posted to the GL from AR/BI.

**Note:** Only the transactions that have the 9xxx account numbers would be selected for interface to DOA. Thus, the data going to DOA for this example would be:

A \$300 credit in Fund 128 for the 9xxx accounts

A \$400 credit in Fund 131 for the 9xxx accounts

A \$700 debit in Fund 990 for the 9xxx accounts

The journal data sent to DOA is in balance as a result of this process.

penalty provided in s. 20.903 (1) shall be held to apply as in other cases.

**History:** 1979 c. 221.

**20.9045 Department of natural resources; appropriations; program balances; revenues.** (1) PROGRAM BALANCES. At the close of each fiscal year the unencumbered balances of appropriations financed by unassigned revenues of the conservation fund under s. 20.370 shall revert to the respective accounts under s. 20.370 in the ratio that revenues were allotted from such accounts and, together with the anticipated respective unassigned revenues by programs in the succeeding year, shall constitute the source of moneys available for appropriation to the programs under s. 20.370 in the succeeding year.

(2) REVENUES AND APPROPRIATIONS. All moneys received pursuant to the operation of programs under s. 20.370 shall be credited to the program which generated them. Revenues which are assigned by law to a particular purpose shall be credited to and may be expended for that purpose. Unassigned revenue shall be credited to the general purpose segregated revenue of the proper program, but the expenditure from such revenue shall be limited to the appropriation of general purpose segregated revenue appearing in the schedule. Whenever the estimated unassigned revenues and available unassigned revenue appropriation balances are insufficient to cover the appropriations of general purpose segregated revenue under each program, the department shall so inform the department of administration and shall indicate the amounts which should be deducted from respective unassigned revenue appropriations to bring the appropriated amounts into agreement with the money available, and the department of administration shall adjust its records accordingly. Actual unassigned revenues in excess of estimated unassigned revenues appropriated may not be spent unless released by the joint committee on finance.

**History:** 1997 a. 27 ss. 454, 455, 744

**20.905 Payments to state.** (1) MANNER OF PAYMENT. Payments to the state may be made in legal tender, postal money order, express money order, bank draft, or certified check. Payments to the state may also be made by personal check or individual check drawn in the ordinary course of business unless otherwise required by individual state agencies. Payments to the state made by a debit or credit card approved by the depository selection board may be accepted by state agencies. Prior to authorizing the use of a card, the depository selection board shall determine how any charges associated with the use of the card shall be paid, unless the method of payment of such charges is specified by law. Unless otherwise specifically prohibited by law, payments to the state may be made by electronic funds transfer.

(2) PROTESTED PAYMENT. If a personal check tendered to make any payment to the state is not paid by the bank on which it is drawn, if an electronic funds transfer does not take place because of insufficient funds, or if a demand for payment under a debit or credit card transaction is not paid by the bank upon which demand is made, the person by whom the check has been tendered, the person whose funds were to be electronically transferred, or the person entering into the debit or credit card transaction shall remain liable for the payment of the amount for which the check was tendered, the amount that was to be electronically transferred, or the amount agreed to be paid by debit or credit card and for all legal penalties, additions and a charge set by the depository selection board which is comparable to charges for unpaid drafts made by establishments in the private sector. In addition, the officer to whom the check was tendered, to whom the electronic funds transfer was promised, or to whom the debit or credit card was presented may, if there is probable cause to believe that a crime has been committed, provide any information or evidence relating to the crime to the district attorney of the county having jurisdiction over the offense for prosecution as provided by law. If any license has been granted upon any such check, any such electronic funds transfer, or any such debit or credit card transaction, the license

shall be subject to cancellation for the nonpayment of the check, the failure to make the electronic funds transfer, or failure of the bank to honor the demand for payment authorized by debit or credit card.

(3) OVERPAYMENTS AND UNDERPAYMENTS. Unless otherwise provided by law, state institutions and agencies, as defined in s. 227.01 (1) but also including the office of district attorney, may retain overpayments of fees, licenses, and similar charges when the overpayment is \$2 or less, unless such refund is specifically requested in writing. Underpayments of not more than \$2 may be waived when the administrative cost of collection would exceed the amount of underpayment.

**History:** 1971 c. 125; 1975 c. 242; 1977 c. 29; 1981 c. 20; 1985 a. 29; 1987 a. 142; 1989 a. 31; 2005 a. 25.

**20.906 Receipts and deposits of money.** (1) FREQUENCY OF DEPOSITS. Unless otherwise provided by law, all moneys collected or received by any state agency for or in behalf of the state or which are required by law to be turned into the state treasury shall be deposited in or transmitted to the state treasury at least once a week and also at other times as required by the governor or the secretary of administration and shall be accompanied by a statement in such form as the secretary of administration may prescribe showing the amount of such collection and from whom and for what purpose or on what account the same was received. All moneys paid into the treasury shall be credited to the general purpose revenues of the general fund unless otherwise specifically provided by law.

(2) FORM OF RECEIPTS. The department of administration shall prescribe a form of official blank receipts to be issued by or for each state agency collecting or receiving any money for the state, or collecting any money required by law to be turned into the state treasury, and such state agency shall issue such official receipts to each person from whom money is received. All such official receipts shall be prenumbered consecutively. The secretary of administration may waive the issuance of official receipts in cases where the secretary prescribes other adequate collection control measures, but receipts shall be issued on demand.

(3) IMPROPER USE OF RECEIPTS FORM. Any person who issues or delivers such official receipt or passes or utters the same, except as required by law, is guilty of a misdemeanor.

(4) PENALTIES. If any state agency fails to make such deposits of money, or to make such reports as are required by this section, the department of administration, with the approval of the governor, shall withhold all moneys due such state agency until this section is complied with; and upon such failure to make such deposits of money, the officer or employee so failing shall be liable to the secretary of administration for an amount equal to the interest upon the moneys so withheld from deposit at the same rate as that received by the state upon moneys held in the state investment fund, for the period for which such deposit is withheld; and such interest shall be a charge against the officer or employee and shall be deducted from that person's compensation.

(5) CONDITIONS PRECEDENT TO RELEASE OF APPROPRIATIONS. All appropriations from state revenues for any state agency are made on the express conditions that such state agency pays all moneys received by it into the state treasury within one week of receipt or as often as otherwise directed by the governor or secretary of administration, and conforms with ss. 16.53 (1) and 20.002, regardless of the type of appropriations made to the state agency. Upon failure to comply with this subsection, the department of administration shall refuse to pay any moneys appropriated to the state agency from state revenues until the state agency complies with this subsection. Upon failure or refusal to so comply, after due notice received from the department of administration, any appropriations from state revenues to the state agency shall permanently revert to the fund from which appropriated.

(6) DIRECT DEPOSITS. The governor or the secretary of administration may require state agencies making deposits under this section to make direct deposits to any depository designated by

the depository selection board, if such a requirement is advantageous or beneficial to this state.

**History:** 1975 c. 164; 1979 c. 34, 221; 1981 c. 20; 1983 a. 368; 1991 a. 316; 2003 a. 33.

### 20.907 Receipts from gifts and other outside sources.

(1) **ACCEPTANCE AND INVESTMENT.** Unless otherwise provided by law, all gifts, grants, bequests, and devises to the state or to any state agency for the benefit or advantage of the state, whether made to trustees or otherwise, shall be legal and valid when approved by the joint committee on finance and shall be executed and enforced according to the provisions of the instrument making the same, including all provisions and directions in any such instrument for accumulation of the income of any fund or rents and profits of any real estate without being subject to the limitations and restrictions provided by law in other cases; but no such accumulation shall be allowed to produce a fund more than 20 times as great as that originally given.

(1m) **REPORTING.** State agencies shall, by December 1 annually, submit a report to the joint committee on finance and the department of administration on expenditures made by the agency during the preceding fiscal year from nonfederal funds received as gifts, grants, bequests or devises. The department of administration shall prescribe a form, which the department may modify as appropriate for the various state agencies, that each state agency must use to report its expenditures as required under this subsection. The form shall require the expenditures to be reported in aggregate amounts as determined by the department of administration. The report shall also include a listing of in-kind contributions, including goods and services, received and used by the state agency during the preceding fiscal year.

(2) **CUSTODY AND ACCOUNTING.** The secretary of administration shall have custody of all such gifts, grants, and bequests in the form of cash or securities. The department of administration shall keep a separate account for each state agency receiving such gifts, grants, and bequests, including therein investments, accumulations, payments, and any other transaction pertaining to such moneys. If no state agency is designated by the donor to carry out the purposes of the conveyance, the joint committee on finance shall appoint a state agency to act as trustee.

(3) **OTHER STATUTES.** Nothing contained in this section or s. 20.855 (6) (g) shall be deemed to abrogate any other statutes pertaining to gifts, grants, bequests and devises to specifically named state officers or agencies or to or for the use of the state.

(4) **AUDIT.** All moneys received by any state agency as income on the principal of funds received by such state agency as gifts, legacies, and devises and from membership fees and sale of publications and duplicates shall be expended under the direction of the proper authorities and the audit of the department of administration shall be for the sole purpose of ascertaining that such expenditures are lawfully made and authorized by the proper authorities of such state agency.

(5) **CUSTODY ACCOUNTS.** (a) Except as provided in par. (b), all moneys that may come into the possession of any officer or employee of a state agency by virtue of his or her office or employment shall be deposited with the secretary of administration, regardless of the ownership thereof.

(b) Paragraph (a) does not apply whenever the disposition of moneys is otherwise provided by law or whenever a state agency receives moneys incident to an authorized activity that are not appropriated and not directed to be deposited with the secretary of administration and the agency promulgates a rule that prescribes procedures in accordance with ch. 34 for the deposit of the moneys.

(c) The secretary of administration shall establish an account for moneys received under par. (a) from each source and shall make payments and refunds from each account authorized under par. (e) as directed by the state agency depositing the moneys, unless otherwise provided by law. Each payment shall be made upon submission of a claim audited under s. 16.53 and paid by

voucher from the appropriation under s. 20.855 (6) (j) in accordance with procedures established by the secretary of administration.

(d) Each account under this subsection shall be established in the appropriate fund, as determined by the secretary of administration.

(e) An account may be established and moneys expended therefrom under this subsection for any of the following purposes:

1. A trust account or deposit containing moneys which are owned or payable or may be determined to be owned by or payable to persons other than the state.

2. Deposit of checks, share drafts or other drafts drawn upon accounts containing insufficient funds.

3. Sales taxes collected by state agencies prior to the date prescribed for payment to the department of revenue.

4. Insurance loss receipts.

5. Income-producing securities donated to the state for a specified purpose.

6. Advances from residential care centers for children and youth and counties and moneys receivable from counties under s. 49.343.

7. Moneys held as the result of audit settlements pending appropriate disposition.

8. Rental revenues and expenses for temporary rental property held by the state.

9. Advance payments of program revenues.

10. Advance federal aid project payments.

11. Medicare expenses chargeable to counties.

12. Any contingent fund authorized by law, not directed to be deposited under a specific appropriation.

12e. Credit card interchange and association fees.

12r. Transfers from the income account of the state investment fund, to pay bank service costs under s. 34.045 (1) (bm).

13. Other purposes authorized by law.

(f) This subsection does not apply to bond revenues and expenditure of moneys therefrom. This subsection does not apply to deposit or expenditure of moneys for which a specific appropriation is made.

**History:** 1971 c. 41 s. 12; 1975 c. 39 s. 732 (1); 1977 c. 29; 1979 c. 34 s. 2102 (29) (a); 1981 c. 20; 1983 a. 27 s. 2202 (57); 1983 a. 368; 1985 a. 332 s. 251 (1); 1989 a. 50; 2003 a. 33, 320; 2005 a. 10; 2007 a. 20, 97; 2009 a. 180.

**Cross-reference:** See also ch. PI 20, Wis. adm. code.

**20.908 Charges for printed material.** Except where distribution to or exchange with specified persons, officers or agencies is provided by law, or where the state agency determines that distribution is to be free of charge, any state agency may make such charge for printed booklets and pamphlets prepared or compiled by it as is fixed by it. Such charge may not exceed cost, including distribution cost as determined under s. 35.80, unless a specific price or method of price calculation is provided by law. Such booklets or pamphlets may be retained by the state agency publishing them or may be delivered to the department of administration for sale and distribution.

**History:** 1979 c. 34.

### 20.909 Abandoned, lost or escheated property.

(1) **LOST OR ABANDONED PROPERTY.** Except as provided in s. 170.12, any personal property lost or abandoned in any building or on any lands belonging to the state and unclaimed for a period of 60 days may be returned to the person finding the same or may be sold at private or public sale by the state agency having charge of the place where such personal property is found. All receipts from such sales, after deducting the necessary expenses of keeping such property and selling the same, shall be paid promptly into the state treasury and credited to the school fund.

(2) **ESCHEATED PROPERTY.** The state treasurer may sell either at public or private sale any personal property turned over to the treasurer as an escheat. The proceeds of any such sale shall



UW System Administrative Policy 326 (formerly F39)

# Collections and Write-Offs

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## I. Background

## II. Constraints

## III. Definitions

## IV. Policy

## V. Collection Procedures

## VI. Write-off Procedures

## VII. Compliance

Revised: November 23, 2010

## I. Background

Accounts receivable are the result of various types of financial transactions including but not limited to: student tuition, fees, room, board, miscellaneous student accounts, short-term loans from State funds, as well as from sales of products and services to the general public and private sector. It is necessary that procedures be in place to maximize collection of delinquent accounts receivable and minimize the administrative cost of those efforts. Note: Collection on Federal Perkins (NDSL) Nursing Student Loans and Health Profession loans are not covered by this paper.

## II. Constraints

Regents Policy Document R05.02.04 – Management/Cash Flow/Fiscal Reporting

Procurement Contracts

## III. Definitions

- A. Accounts receivable – Any obligation or alleged obligation arising from a consumer transaction. Unusable credit memos may also be considered another form of accounts receivable. A nonstudent account is “delinquent” when it is past the stated due date or, if no due date is stated, more than 45 days beyond the billing/invoice date.

A student account is “in default” when the terms of the written agreement that cover the obligation are not met, or:

1. If pursuant to an open-end plan, it has been past due on two occasions in any 12-month period.
  2. If pursuant to a closed-end plan:
    - a. Where the interval between payments is two months or less, when either two or more outstanding payments have been past due for more than 10 days, or when the first or last payment has not been made.
    - b. Where the interval between payments is more than two months, when one outstanding payment has been due for more than 60 days.
    - c. Where only one payment is scheduled, when it has been past due for more than 40 days.
- B. Student – For the purpose of this paper, a student is defined as one who enrolls in and is assessed a fee or tuition for any credit or noncredit course offered by a UW institution.

## IV. Policy

It is the responsibility of each institution to establish the terms and/or conditions for payment at the time an account is created and to follow up routinely and diligently on all accounts receivable. Credit should not be extended to students, individuals or entities who are in default on other obligations or for whom previous obligations have been written off as uncollectible. If a student account is in default, transcripts may be withheld. However, during the pendency of a bankruptcy action, transcripts shall not be withheld.

## V. Collection Procedures

The size of the account receivable may influence the effort put into collection attempts. The expenditure of time, effort and money to collect large accounts receivable is appropriate; however, the same efforts expended on very small accounts receivable may not be economical. The collection activity undertaken should be documented in writing. The following steps must be conducted in collecting accounts receivable which are delinquent or in default.

- A. A follow-up billing must be sent on accounts receivable which are delinquent or in default.
- B. A collection letter(s) must be sent if payment is not received in response to the follow-up billing. Telephone contact is recommended if no explanation or payment is received in response to billings or collection letter(s).
- C. Accounts receivable which the institution is unsuccessful in collecting through the above procedures may be referred to the Wisconsin Department of Revenue’s TRIP program referenced in section E. below, a collection agency or small claims court. Note: Collection agencies will, upon request, report customer accounts to credit reporting agencies. Any amount due, regardless of amount can be reported. A balance due on a customer's credit file must usually be paid before the person can obtain a loan.



- D. All credit arrangements and promissory notes must contain a provision (notice) that the debtor is responsible for all collection costs on amounts not paid when due, including, but not limited to, attorney fees and collection agency fees.
- E. The Wisconsin Department of Revenue (DOR), through its Tax Refund Intercept Program (TRIP), may aid the collection of these debts by withholding State tax refunds to individual taxpayers with debts to State agencies. The DOR will honor tax intercept requests where a State agency has certified unpaid debt that has been reduced to a judgment OR where a taxpayer has been afforded reasonable notice and the opportunity to be heard in regard to the debt. The U.S. Internal Revenue also provides a similar service for withholding federal tax refunds.

## VI. Write-off Procedures

A clear distinction needs to be made between canceling an invoice and writing off an accounts receivable. An invoice may be canceled because the institution, for a variety of reasons, is not entitled to collect the money. An accounts receivable must not be canceled to avoid write-off procedures. Accounts receivable that are uncollectible may be written off in accordance with the following:

- A. In all cases, write-offs must be approved by someone not directly associated with either the billing or collection efforts.
- B. Accounts receivable up to \$200, may be written off by the institution if all collection efforts have been completed up to the point where the account would have been referred to a collection agency.
- C. Accounts receivable between \$200 and \$1,000 may be written off by the institution if returned as uncollectible by a collection agency.
- D. Accounts receivable between \$200 and \$1,000 which have not been referred to a collection agency and all accounts receivable over \$1,000 must be referred to UW System Financial Administration for write-off approval. Requests for write-off should include name, amount, school term (if tuition/fees) and statement why that accounts receivable has been determined to be uncollectible.

## VII. Compliance

The UW System must submit a consolidated report of accounts receivable and write-offs to the State Controllers Office annually.

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BUYS PROGRAM

STATE OF WISCONSIN • BUREAU OF PROCUREMENT

# VendorNet System

## Contract Information

**Scope**

**Vendors**

**Attachments**

**Revision History**

**VendorNet Information Center**

## Contract Information for Statewide Collection Services

**Contract Number:**  
15-94633-401

**Term:**  
August 25, 2004 - February 28, 2013

**Last Revision:**  
July 20, 2012

**NIGP Code:**  
94633 - Collection Services

**Cooperative Purchasing:**  
Yes

**Mandatory Purchasing:**  
Yes

**Purchasing Card:**  
No

**Manager:**  
Bill Epp  
ADMINISTRATION, DEPT OF  
101 E Wilson St Fl 6  
Madison, WI 53703

(608) 266-1954  
E-mail Address: [bill.epp@wisconsin.gov](mailto:bill.epp@wisconsin.gov)

**Quote Price and Delivery FOB:**  
NONE

**Special Terms & Conditions/Specifications:**  
No

**Reference:**  
27700-LP

**Distribution:**  
All Agencies, including University of Wisconsin Campuses

**Scope:**



This contract has been extended for one year until August 31, 2012.

This contract has been awarded in four sections: The Department of Revenue Accounts, State Public Defender Indigent Defendant Accounts, the University of Wisconsin System Accounts, and Other State Agencies and Local Government accounts. Agencies may choose any vendor(s) in the section appropriate to them.

DEPARTMENT OF REVENUE, awarded to Diversified Collections Services, Inc., NCO Financial Systems Inc, and West Asset Management, Inc.

DEPARTMENT OF STATE PUBLIC DEFENDER INDIGENT DEFANDANT ACCOUNTS, awarded to State Collection Service.

UNIVERSITY OF WISCONSIN SYSTEM ACCOUNTS, awarded to AMO Recoveries Inc., Enterprise Recovery Systems, General Revenue Corporation, Northland Credit Control, Recovery Management Services, Regional Adjustment Bureau, State Collection Service, and Todd, Bremer & Lawson, Inc.

OTHER STATE AGENCIES AND LOCAL GOVERNMENT ACCOUNTS, awarded to AMO Recoveries, Inc., H.E. Stark Agency, Harvard Collection Services Inc., Municipal Services Bureau, NCO Financial Systems, Inc., Professional Placement Services, LLC., and State Collection Service.

## Vendors:

See attached documents for vendor list.



## Attachments:

[Amendment FIVE new price list for Department of Revenue, Public Defendor's Office, UW System and other Agencies](#)  
[Amendment FOUR contract pricing for Other State Agencies and Local Governement Accounts](#)  
[Amendment FOUR contract pricing for University of Wisconsin System Accounts](#)  
[Amendment ONE Perkins Loan Language UW System Vendors](#)  
[Amendment THREE Contral Renewal for ALL agreements on this contract](#)  
[Amendment TWO Contract Renewal and addition of Privacy and Confidential Information Clause for ALL agreements on this contract.](#)  
[Contract Document\(s\)](#)  
[Department of Revenue Contract](#)  
[Other State Agencies and Local Govt Terms and Conditions](#)  
[State Public Defenders Office Contract Document](#)  
[Updated vendor contact information for all accounts](#)  
[UW System Contract Document](#)

## Revision History

- 07/20/12 Contract date has been extended through 2/28/2013
- 10/12/11 Amendment FIVE new price list is attached. Updated vendor contact information is attached
- 10/12/11 Name change
- 10/12/11 Contract extension date posted. Updated rates and contact information to follow.
- 09/01/11 Contract extension for 30 days pending receipt of paperwork.
- 08/09/10 Contract extended for one year until August 31, 2011.
- 10/09/09 Per the terms of the RFP, the contract has been extended until August 31, 2010.
- 10/08/09 Updated contract manager.
- 08/20/09 Updated Contract Manager
- 09/22/08 Updated link to Amendment ONE document.\*
- 09/22/08 Updated link to Amendment TWO document.\*
- 09/22/08 Updated Dept of Revenue contract document.\*
- 09/22/08 Updated Other State Agencies contract document.\*
- 09/17/08 Updated Other State Agencies and Local Govt Contract Document with new term.\*
- 09/17/08 Updated DOR Contract Document with new term.\*
- 09/17/08 Updated UW System Contract Document with new term.
- 09/17/08 Updated State Public Defenders Office Document with new term.
- 09/17/08 Updated contract with new term.
- 09/17/08 Updated Contract Document with new term.
- 09/17/08 Posted Amendment TWO Contract renewal for ALL Segments of this contract. Accepted by ALL vendors on this contract. Amendment two also gives additional privacy and confidential information protection.\*
- 09/17/08 Updated contract term per executed and approved renewal. New contract term expires 08/31/2009.
- 09/17/08 Posted Amendment ONE to this contract. Adds Perkins Loan language to the UW System Contract document for all UW System vendors. ALL VENDORS ACCEPTED THIS AMENDMENT. Vendor signed copies are on file with SBOP in the contract file.\*
- 09/17/08 Deleted incorrect attachment
- 07/17/08 Updating UW System Contract contact information for Recovery Management Services and Regional Adjustment Bureau, Inc.
- 04/14/08 Professional Placement Services (PPS) has new contact and website information. Please see link to Other State Agencies and Local Govt Terms and Conditions for detailed information.\*

09/10/07 Updated contact information for Regional Adjustment Bureau\*

09/06/07 Updated UW System Contract Document\*

09/06/07 Updated State Public Defender Document\*

09/06/07 Updated Other State Agencies.... Document\*

09/06/07 Department of Revenue Contract Document Updated.\*

09/06/07 Scope updated. Contract term updated. Allied Interstate, Inc. and Risk Management Alternatives were removed from the contract.

02/27/07 .

02/27/07 Change in contract manager.

07/11/06 Corrected contact information.

11/01/05 OSI Collection Services has been removed from the contract.\*

11/01/05 OSI Collection Services has been removed from the contract.

02/23/05 Updated contact information for General Revenue Corporation and Northland Credit Control\*

01/03/05 Updated contact information for AMO Recoveries for the Other State Agencies and Local Government Terms and Conditions\*

01/03/05 Updated contact information for AMO Recoveries in the UW Systems Terms and Conditions\*

01/03/05 Updated contact information for AMO Recoveries, Inc.\*

01/03/05 Updated contact information for West Asset Management, Inc.\*

01/03/05 National Asset Management Enterprises, Inc. has changed their name to West Asset Management, Inc.

11/26/04 Updated contractor information for Harvard Collections, Inc.\*

10/28/04 Updated the Contractor List for Other State Agencies and Local Government Accounts. There is now a complete list of the Contractors for all sections.

10/28/04 Updated to include the Complete Contractor List\*

10/15/04 Updated the list of Contractors for Other State Agency Accounts

10/15/04 Updated List of Contractors\*

10/13/04 Update Contractor List for Other State Agencies Section

10/13/04 Updated Contractor List\*

10/11/04 Updated Contractor Information.

10/11/04 Update Contractor List to include NCO Financial Systems\*

10/11/04 Updated Contractor List to Other State Agencies Section.

10/08/04 State Public Defenders Office and Other State Agencies and Local Government Accounts have now been awarded.

09/13/04 Updated contractor information.  
09/13/04 Complete Contractor List for DOR\*  
09/08/04 Updated Contractor Information for UW System Accounts  
and the Department of Revenue Accounts.  
09/08/04 Update Contractor Information\*  
09/08/04 Updated Contractor Information\*  
09/08/04 Updated Contractor Information\*  
09/08/04 Updated Contractor Information\*  
09/03/04 Document deleted

\* Indicates an attached document.

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VENDORNET | LOGIN | HELP | NIGP  
HOMEPAGE | | | CODES

Submit questions or comments to: [vendrhlp@doa.state.wi.us](mailto:vendrhlp@doa.state.wi.us)



State of Wisconsin • DEPARTMENT OF REVENUE

2135 RIMROCK ROAD • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933 • 608-266-6466 • FAX (608) 266-5718 • http://www.revenue.wi.gov

KO. Julie  
Mica  
Ginger

Jim Doyle  
Governor

Roger Ervin  
Secretary of Revenue

August 31, 2010

Deborah Durcan, Vice President of Finance  
University of Wisconsin System  
1624 Van Hise Hall  
1220 Linden Drive  
Madison, WI 53706

RECEIVED  
SEP 16 2010  
Financial Administration  
University of Wisconsin System

Dear Assistant Vice President Durcan:

You have signed a Memorandum of Understanding for the Statewide Debt Collection initiative provided under s. 71.93(8), Wis. Stats.

In Addendum Item 2, UW System indicates "Agency will not submit federal student loans/financial aid to the Department as it has been determined between the parties that the expertise of financial aid collection rules is best served with the collection agencies specializing in those collections."

I have signed the Memorandum of Understanding and agree to the addendum for the period of time from signature until June 30, 2013. In the interim, the Department would like to continue to discuss with the University of Wisconsin System the future collection of federal student loans/financial aid. The Minnesota Department of Revenue collects both state and federal student loans under their statewide debt collection program, and we believe we can offer the same services to you.

Thank you for your work in establishing the initial Memorandum of Understanding.

Sincerely,

Roger M. Ervin  
Secretary of Revenue

RME:khh

State of Wisconsin  
Department of Revenue

# State Debt Collection Agreement



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## Introduction

This agreement between the University of Wisconsin System, (hereafter referred to as "agency") and the Wisconsin Department of Revenue (hereafter referred to as "department") will set forth the requirements and expectations of both agencies relating to the department providing debt collection services for the agency under the provisions of s. 71.93 (8), Wis. Stats.

## Statutory Authority

The department is authorized pursuant to the provisions of s. 71.93(8), Wis. Stats., to enter into a written agreement to have the department collect any amount owed to the state agency.

## Duties of the Agency

1. Unless stated and agreed to separately, debt sent to the department for collection must be greater than \$50.00, and shall be reduced to a judgment prior to referral of the debt, unless the agency has provided the debtor with reasonable notice and an opportunity to be heard with regard to the debt.
2. The agency shall send unpaid debt to the department for collection when the debt is more than 90 days past due, unless the agency is negotiating a repayment agreement with the debtor, the debtor has filed bankruptcy, the debtor has objected to the basis of the debt and the agency is responding to the objection, or the agency has negotiated a waiver of the time period or debt type from the Secretary of the department.
3. At least 30 days prior to referral of the debt to the department, the agency shall send notice to the debtor of the agency's intention to refer the debt to the department for collection. The notice must state the nature and amount of the debt, identify the agency to whom the debt is owed, advise the debtor that collection costs will be assessed once the debt is referred to the department, and inform the debtor of the debtor's right to appeal. Any appeal periods will have expired and all disputes resolved prior to referral of debt to the department.
4. The agency will send the following file updates in an electronic format:
  - a. New Debts: The agency will furnish information using the department's prescribed file layout. Each debtor will have a unique agency identifier and each debt will have an agency debt number. If a judgment or lien against the debtor was entered, the agency shall provide the lien number, county where the judgment or lien is filed, the names on the judgment or lien, the docket or filing number, and the amount of the judgment or lien.
  - b. Debt Updates: Any non-monetary updates to the debt amount or recall of the debt must be transmitted to the department, using the department's prescribed file layout, within 24 hours of receipt. Changes to the balance may include estimated assessments replaced by actual information, debts reduced by compromise agreement, or administrative adjustments. Any payments must be remitted to the department for posting to the department's collection case. The agency is responsible for refunding the collection fee to the debtor, if appropriate, on recalled debts.
5. The agency agrees to adjust to zero any debts certified to the department's agency setoff system either through the TRIP application, state agency mainframe or CCAP. Through this agreement, the department will offset refunds to the agency's debts through the department's collection system.
6. Once debt is referred to the department for collection, the agency will discontinue billing statements, demand letters, and active collection efforts. The agency will direct all debtor calls or requests regarding collection of the debt to the department.
7. Once a debt is referred to the department for collection, the agency will forward any payments received to the department for processing. Department collection costs must be paid even if the debtor sends full payment of the debt to the agency.

8. If the debt is compromised or settled, the agency will contact the department to determine the amount of the department's collection costs that must be remitted to the department. The agency will be responsible for any department collection costs remaining when the agency fails to consider department collection costs when accepting payments from the debtor or compromising debt.
9. The agency will not re-refer debts that have been recalled by the agency or closed and returned by the department with the exception of closed bankruptcy cases and resolved disputes.
10. Correspondence and telephone inquiries received that relate to the validity of the debt will be forwarded to the agency for a timely response. The agency will have resources available to assist debtors and department collectors with debt-related issues.
11. If the agency fails to provide accurate and timely updates to the debt and the result is an overpayment of the debt, the debt will be returned to the agency for a refund to the debtor. The agency will refund the debtor the amount of overpayment received plus the department collection costs, if appropriate.
12. If a payment or refund setoff has been posted to a debt and it is later determined that the payment or refund setoff was in excess of the debt owed to the agency, it will be the agency's responsibility to refund such excess to the debtor. If at the time of payment or refund setoff, the debtor had a debt with the agency but the agency did not adjust the debt to zero, it is the agency's responsibility to refund the administrative fee to the debtor.
13. Payments and refund setoffs that occur because of erroneous identification information provided by the agency may be corrected by the department and it is the agency's responsibility to pay any collection fees or amounts involved may be reversed.
14. The agency shall be responsible and liable for any claims or lawsuits made against the department arising from collection of a debt that is alleged to be incorrect or not owed by the debtor.
15. The agency agrees to maintain the confidentiality of all accounts, correspondence, documents and any other related information, which may be obtained from or furnished by the department. If a third party is used by the agency to manage the debts referred to the department, the third party must sign an agreement with the department and will be bound by the same confidentiality requirements. Any unauthorized use or disclosure of such information, or inadequate procedures for safeguarding the confidentiality of such information, constitutes grounds for immediate termination of this agreement.
16. The agency will review reports transmitted, reconcile accounts and notify the department within 60 days of any discrepancies.
17. The agency will have technical staff available to maintain electronic file layouts, electronic reports, and other requirements as needed. Agency and department contact information will be periodically updated.
18. The agency and the department can agree to other collection services, such as sending notices, providing the opportunity to be heard, and filing and managing bankruptcy claims.

## Duties of the Department

1. The department will take all reasonable and cost-effective actions to collect referred debts. Collection efforts may include, but are not limited to:
  - a. Identify assets available for satisfaction of debts
  - b. Send demand letters
  - c. Subpoena records
  - d. Setoff refunds
  - e. Negotiate and monitor payment plans
  - f. Enter into compromise agreements
  - g. File liens when appropriate
  - h. Levy assets
  - i. Certify wages
2. The secretary of revenue may waive the referral of certain types of debts.
3. The department shall collect debts and assess interest in the same manner that it collects taxes and assesses interest under ss. 71.82(2), 71.91, 71.92, and 73.03 (20), Wis. Stats.
4. The department will add an administrative fee to each debt referred for collection. The administrative fee will be reviewed periodically and adjusted up or down to cover all costs to the department to administer this program.
5. The department will apply payments made on delinquencies first in discharging costs, then penalties and interest, with the balance applied to principal. Once a payment or refund setoff has been posted, the agency will be notified of such postings.
6. The department will collect against debtors who owe multiple debts to various state entities. Proceeds collected will apply first to debts owed to the department, then to debts owed to state agencies, including the courts and the Legislature, in the order that the debts were referred, then to debts owed to authorities and local units of government in the order that the debts were referred.
7. The department will send a Statement of Account to the debtor monthly as long as there is account activity, such as a payment or credit to the account. If there is no recent activity, a Statement of Account will be sent at least once every 6 months. Delinquent interest will be added to the account monthly.
8. The department may suspend collection action on an agency account temporarily if the debtor raises concerns that need to be addressed by the agency, such as the validity of the debt or whether the debt was previously paid. The debtor will be advised that they must contact the agency, and department collection action will resume in 30 days unless the agency contacts the department to request additional time or to recall the debt.
9. If a payment, refund, or refundable credit is determined to be in error or is otherwise adjusted after posting to an agency debt, the department may reverse the credit with that agency.
10. The department will close out any debt with balance that falls below \$50.00 and return the debt to the agency as too small to pursue.
11. The department will pursue debt collection for a period of 5 years. Any debt that has not been collected within 5 years or any debt that has been determined to be uncollectible will be closed out and returned to the agency.
12. The department will return debt to the agency if the debtor files bankruptcy. It will be the agency's responsibility to pursue a bankruptcy claim, if appropriate.
13. The department will send the following update files:
  - a. Debt Response File - The department will edit and compare debtor information to the department's "history file" to determine correctness. Notification will be given to the agency whether such data was accepted or rejected in the same medium as originally

submitted by the agency. If the data is accepted by the department, the department will transmit the debt number for each debt accepted to the agency.

- b. Transaction File - The department will post transactions to the debtor's account daily. On a monthly basis an update file will be transmitted to the agency.
  - c. Return Debt File - On a quarterly basis the department will notify the agency of any collection cases that have been determined as uncollectible. For any returned debt the department will indicate whether a lien was filed, the docket date of the lien, the docket number and where it was filed.
  - d. Performance Analysis Report will be made available upon agency request.
- 14. Monthly, remittances will be posted to the agency's WISMART account
  - 15. The department will have collectors available to assist debtors and the agency staff with debt-related issues. The department will resolve any debtor disputes pertaining only to the department's collection process and any collections taken by the department.
  - 16. The department will have technical staff available to create and maintain electronic file layouts, electronic reports, and other requirements as needed. Agency and department contact information will be periodically updated.
  - 17. The Secretary of Revenue shall be the final authority in the resolution of any interagency disputes in regard to referral of debts.
  - 18. The department and the agency can agree to other collection services, such as sending notices, providing the opportunity to be heard, and filing and managing bankruptcy claims.

## Legal Requirements

This agreement is effective upon the signing below of the agency's and department's representatives. Amendments mutually agreed to by authorized representatives of the agency and the department shall become effective when signed and dated as an ADDENDUM to this agreement. The terms of the agreement may be renegotiated upon 60 days notice by either party.

Wisconsin Department of Revenue

By 

Dated 8/31/2010

Agency:

University of Wisconsin System

By 

Dated June 29, 2010

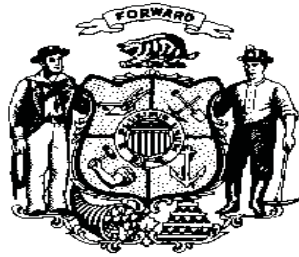
## ADDENDUM

1. The University of Wisconsin System consists of the following campuses:
  - a. UW-Milwaukee
  - b. UW-Eau Claire
  - c. UW-Green Bay
  - d. UW-La Crosse
  - e. UW-Oshkosh
  - f. UW-Parkside
  - g. UW-Platteville
  - h. UW-River Falls
  - i. UW-Stevens Point
  - j. UW-Stout
  - k. UW-Superior
  - l. UW-Whitewater
  - m. UW Colleges (two year campuses)
  - n. UW-Extension
  - o. UW-System Administration

UW-Madison has entered into a separate State Debt Collection Agreement.

2. Agency will not submit federal student loans/financial aid to the Department as it has been determined between the parties that the expertise of the financial aid collection rules is best served with the collection agencies specializing in those collections.
3. Agency will submit other debt that may be consolidated with tuition including, but not limited to, parking and library fines/fees.
4. Agency and Department agree that due to the numerous forms of real-time payments accepted by Agency, it is not possible for Agency to send receipts of debt collection to Department. Department agrees to modify the file layout to allow a new transaction type of "Payment Received" to communicate this information to Department. Agency understands that Department assessed collection fees may still need to be remitted and Agency needs to collect such fee in addition to outstanding debt balance from debtor.
5. Department agrees to submit receipts to Agency via ACH (in lieu of posting to WISMART).
6. Agency and Department agree that Agency will not begin sending debt to Department until Web Application and Online Payment System is in production and fully functioning.
7. Agency and Department agree that movement of debt out of the TRIP Program and into the State Debt Collection Program may occur over a period of time.
8. Agency and Department agree to continue to work together to identify the different types of debt covered under this State Debt Collection Agreement.

# Wisconsin Department of Revenue



## State Debt Collection Initiative User Guide

<http://www.revenue.wi.gov/html/debtcoll.html>

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For complete User Guide:  
<http://www.revenue.wi.gov/html/debtcoll.html>



UW SYSTEM ADMINISTRATION  
SYSTEM PROCUREMENT OFFICE  
780 REGENT STREET  
MADISON, WI 53708

A M E N D M E N T #7

CONTRACT NO. RL-04-2254  
DATE: October 10, 2012

COMMODITY OR  
SERVICE:

STUDENT LOAN BILLING SERVICES for the University of Wisconsin System  
(Oshkosh, Parkside, Stout, Whitewater, Madison, Milwaukee, La Crosse, **Platteville,**  
**River Falls and Stevens Point**)

CONTRACT TERM:

November 1, 2004 through June 30, 2005 with nine automatic one year renewal  
options

REFERENCE:

Per the Specifications and vendor's response to our Request for Proposal #RL04-  
2254

VENDOR:

Educational Computer Systems, Inc.  
181 Montour Run Road  
Coraopolis, PA 15108

FEIN NO.:

25-1222771

REVISION:

- 1 UW- River Falls and Stevens Point has been added to this contract effective with the  
September 2012 billing which will reflect current system wide pricing .
2. There are no other changes or revisions.

ACKNOWLEDGEMENT:

Unless this office is informed in writing by the contractor within ten (10)  
working days of the date of this amendment, the above revisions will  
become a part of the contract on the effective date shown.

Contract Distribution:

Gail Anderson  
Katie Schroth  
Julie Gordon  
Ginger Hintz  
Tom Stafford  
Chris Stompanato

For administration of this Contract  
Amendment contact:

Rich Lampe  
Telephone: 608/262-9138