



Judicial Council of California · Administrative Office of the Courts

455 Golden Gate Avenue · San Francisco, California 94102-3688

www.courts.ca.gov

REPORT TO THE JUDICIAL COUNCIL

For business meeting on June 22, 2012

Title	Agenda Item Type
Collections: Revisions to the Guidelines and Standards for Cost Recovery and Collections Reporting Template	Action Required
Rules, Forms, Standards, or Statutes Affected	Effective Date
None	1. Guidelines and Standards: July 1, 2012 2. Template: Fiscal year (FY) 2012–2013
Recommended by	Date of Report
Administrative Office of the Courts, Enhanced Collections Unit Zlatko Theodorovic, Director Finance Division	June 5, 2012
	Contact
	Margie Borjon-Miller, 818-558-3055 margie.borjon-miller@jud.ca.gov

Executive Summary

The Enhanced Collections Unit of the Administrative Office of the Courts (AOC), Finance Division, recommends adopting the revisions to two documents: (1) Guidelines and Standards for Cost Recovery, and (2) Collections Reporting Template.

The recommendations are being made as a result of amendments to Penal Code section 1463.007 under Senate Bill 857 (Stats. 2010, ch. 720), which modify the standards under which a court or county may recover the costs of operating a comprehensive collection program.

Recommendation

The Enhanced Collections Unit recommends that the Judicial Council, effective July 1, 2012:

1. Adopt the revised Guidelines and Standards for Cost Recovery (Attachments A1-A3), which have been revised in accordance with amended Penal Code section 1463.007; and
2. Adopt the revised Collections Reporting Template (Attachments B1–B3) used by statewide court and county collection programs to report collections information to the Judicial Council annually, as required under Penal Code section 1463.010. The courts and counties will be required to use the revised Collections Reporting Template during FY 2012–2013.

These recommendations were developed in collaboration with the Informal Collections Working Group. The working group comprises 10 courts, five counties, and the California State Association of Counties.¹

Previous Council Action

The Judicial Council adopted the Guidelines and Standards for Cost Recovery at the August 2006 meeting and has approved no revisions since that time. The council adopted the Collections Reporting Template in August 2004 and approved subsequent revisions in July 2008 and February 2011.

Rationale for Recommendation

Recommendation 1 (Guidelines and Standards for Cost Recovery)

The Guidelines and Standards for Cost Recovery were revised as a result of amendments to Penal Code section 1463.007 (Attachment C). Court and county collection programs can recover certain costs for the collection of delinquent fines, fees, forfeitures, penalties, and assessments before revenues are distributed to any other government entity. The guidelines assist the court and county collection programs to determine recoverable costs of operating a comprehensive collection program.

The following revisions were made to the guidelines:

- Four criteria specified in Penal Code section 1463.007 were added as a reference. Courts and counties must meet these criteria to be considered a comprehensive collection program and recover eligible costs.
- One of the four criteria is that court and county collection programs perform at least 10 of 16 collection activities. Of the 16 activities, 5 are now mandatory, and the additional 5 or more can be selected from the remaining 11. The Informal Collections Working Group recommended that the activities be included in the guidelines as a reference tool.

¹ The Informal Collections Working Group comprises the Superior Courts of Fresno, Mendocino, Orange, Sacramento, San Bernardino, San Diego, Shasta, Sonoma, Stanislaus, and Ventura Counties; the Counties of Mendocino, Monterey, Nevada, Plumas, San Bernardino, and Sacramento; and the California State Association of Counties.

- A paragraph is included to explain that costs associated with the identification of eligible cases for discharge of accountability under Government Code section 25257–25259.95 may be recoverable.
- During the past six years, collection programs have changed operations to enhance the collection of delinquent court-ordered debt. The definitions are updated to reflect current operation and business practices.

Recommendation 2 (Collections Reporting Template)

The revised Collections Reporting Template clarifies the Instructions (Attachment B1) and adds several new definitions to the Glossary (Attachment B2). Revisions to the Contact and Other Information Sheet (Attachment B3) reflect the changes to Penal Code section 1463.007. Changes include the addition of a column to capture additional program information on Intra-branch programs, which are court or county programs that provide collection services to other courts or counties.

The changes were made to the Collections Reporting Template to support the reporting requirement under Penal Code section 1463.010. The Judicial Council is required to review the effectiveness of the statewide collection programs and to report to the Legislature annually on the extent to which each collection program is following best practices, the performance of each collection program, and any changes necessary to improve statewide performance.

Comments, Alternatives Considered, and Policy Implications

The Enhanced Collections Unit posted the Guidelines and Standards for Cost Recovery and the Collections Reporting Template on internal and external websites for public comment for a period of 45 days. Posting notifications were sent to presiding judges, court executive officers, county administrative officers, and court and county collections staff.

The Chart of Public Comments (Attachment D) lists the comments received by the eight entities that responded. The entities include five courts, one county, the Franchise Tax Board, and the California Revenue Officers Association.

Two courts submitted comments related to the Collections Reporting Template and the metrics used to measure performance. The recommendations received from these courts are being analyzed and will be presented to the Informal Collections Working Group for its consideration. Resulting changes will be presented to the Judicial Council for approval.

No alternatives were considered, and there are no policy implications.

Implementation Requirements, Costs, and Operational Impacts

There are no anticipated costs or operational impacts related to the adoption of the revisions. The Enhanced Collections Unit will provide statewide training to assist courts and counties with the implementation of changes.

Relevant Strategic Plan Goals and Operational Plan Objectives

These documents support operational plan Goal III.A.4 as it pertains to upholding the integrity of court orders by improving the collection of fines, fees, and forfeitures statewide.

Attachments

1. Attachment A1: Guidelines and Standards for Cost Recovery
Attachment A2: Cost Recovery Report
Attachment A3: Distribution Template
2. Attachment B1: Collections Reporting Template Instructions
Attachment B2: Collections Reporting Template Glossary
Attachment B3: Collections Reporting Template
3. Attachment C: Pen. Code, § 1463.007
4. Attachment D: Chart of Public Comments

GUIDELINES AND STANDARDS FOR COST RECOVERY

Comprehensive Collection Program

Effective July 1, 2012, Penal Code section 1463.007 under Senate Bill 857 (Stats. 2010, ch. 720), amends the standards by which a court or county may recover the costs of operating a comprehensive collection program (Attachment A). Collection costs (with the exception of capital expenditures) may be recovered from the collection of delinquent court-ordered fines, fees, forfeitures, penalties, and assessments imposed on infraction, misdemeanor, and felony cases before revenues are distributed to any other government entity.

A comprehensive collection program is a separate and distinct revenue collection activity that meets the following requirements:

1. Identifies and collects amounts arising from delinquent court-ordered debt, whether or not a warrant has been issued against the alleged violator.
2. Complies with requirements of subdivision (b) of Penal Code section 1463.010.
3. Engages in the following activities:
 - a. Attempts telephone contact with delinquent debtors for whom the program has a phone number to inform them of their delinquent status and payment options.
 - b. Notifies delinquent debtors for whom the program has an address in writing of their outstanding obligation within 95 days of delinquency.
 - c. Generates internal monthly reports to track collections data, such as age of debt and delinquent amounts outstanding.
 - d. Uses Department of Motor Vehicles information to locate delinquent debtors.
 - e. Accepts payments of delinquent debt by credit card.
4. Engages in at least five (5) of the following activities:
 - a. Sends delinquent debt to the Franchise Tax Board's Court-Ordered Debt Collections Program.
 - b. Sends delinquent debt to the Franchise Tax Board's Interagency Intercept Collections Program.
 - c. Initiates driver's license suspension or hold actions when appropriate.
 - d. Contracts with one or more private debt collectors to collect delinquent debt.
 - e. Sends monthly bills or account statements to all delinquent debtors.
 - f. Contracts with local, regional, state, or national skip tracing or locator resources or services to locate delinquent debtors.
 - g. Coordinates with the probation department to locate debtors who may be on formal or informal probation.

- h. Uses Employment Development Department employment and wage information to collect delinquent debt.
- i. Establishes wage and bank account garnishments when appropriate.
- j. Places liens on real property owned by delinquent debtors when appropriate.
- k. Uses an automated dialer or automatic call distribution system to manage telephone calls.

Amendments to Penal Code section 1463.007 require programs to use at least 10 of 16 collection activity components. The first 5 activities listed in the code must be met, and 5 of the 11 remaining activities may be chosen by the individual collections program.

The amendments to Penal Code section 1463.007 also removed the following activities from the list of components that qualify a program for cost recovery:

- Filing of a claim or objection to the inclusion of outstanding fines and forfeitures in bankruptcy proceedings; and
- Requesting credit reports to assist in locating delinquent debtors.

While programs can no longer count these activities toward meeting the 10 components required for cost recovery, programs still have the legal authority to perform such activities.

Staff Costs

Duty statements, time sheets, or other means of documentation are necessary to substantiate the percentage of time an employee or supervisor spends performing eligible comprehensive collection activities. Allocation of supervisory time is allowable, provided that the cost can be supported by documentation. Estimations are not allowable to substantiate the percentage of time an employee spends performing eligible collection activities. If a collecting entity does not use time sheets, it should be able to support personnel costs by using other means of documentation.

Time studies may be used as an acceptable substitute for actual time sheets, but they need to be representative of the total amount of actual time spent collecting eligible delinquent debt. Supporting documents such as duty statements and work calendars, while not providing actual time data, can provide the needed support to establish the sufficiency of the data collected. When time studies are used in place of time sheets, they must be adequately designed (i.e., of sufficient frequency, duration, and scope) and documented to support the extrapolation of the results to the actual hours spent collecting eligible delinquent debt. The court or county may determine the frequency, duration, and scope of a time study based on operational or staffing changes. Cost of salaries/wages and benefits of comprehensive collections program staff, including supervisory staff are recoverable. Time sheets are recommended for staff spending less than 100 percent of their time working on the comprehensive collection program's eligible debt. Each time sheet must account for all hours worked by the employee. Time sheets are not necessary for employees working 100 percent of their time on the comprehensive collection program.

Other Eligible Costs

Other eligible costs include the following:

- Costs of operating expenses and equipment associated with comprehensive collection program staff (court/county). Operating expenses and equipment should be allocated proportionately to the time worked on the comprehensive collection program.
- Commission costs are cost recoverable and may include those payable to a private collections vendor, the Franchise Tax Board, or an intra-branch program operating under a contract, participation agreement, standard agreement, or a memorandum of understanding (MOU).
- In lieu of developing an indirect cost rate, a program may use a standard rate equal to 10 percent of the direct salaries and wages involved in providing the service (excluding overtime, shift premiums, and fringe benefits). (Refer to the AOC's *Trial Court Financial Policies and Procedures Manual* or to *Office of Management and Budget (OMB) Circular A-87*.)

Eligible costs may be calculated using the sample Cost Recovery Report (Attachment B).

Revenues Collected in a Comprehensive Collection Program

Cost recovery in a comprehensive collection program is limited to revenues collected from the accounts in the program. Revenue collected from eligible accounts in a comprehensive collection program shall be deposited in the court or county treasury, and costs may be recovered before revenues are distributed to other governmental entities or programs. The court or county must be able to distinguish revenues collected from eligible accounts (and their related costs) separately from those accounts that do not meet the statutory requirements of Penal Code section 1463.007.

Separate and Distinct Revenue Collection Activity

A court or county that implements a comprehensive collection program must operate that program as a separate and distinct revenue collection activity. Such an activity is defined as one with the ability to identify and collect revenue owed on eligible accounts. Related costs of collection on eligible delinquent accounts should be documented on an ongoing basis. Collection agencies, the Franchise Tax Board, or an Intra-branch Program may be contracted to provide collection services on eligible delinquent accounts. A court or county collection program must require these collecting entities to maintain separate and distinct revenue collection activity information on eligible accounts. If a program fails to maintain this information, it may result in the disqualification of those programs from inclusion in a comprehensive collection program, as defined in Penal Code section 1463.007.

Distribution of Revenues

Revenues collected from accounts in a comprehensive collection program must be distributed monthly as required by other provisions of law and by Appendix C of the *Manual of Accounting*

and Audit Guidelines for Trial Courts. If a program’s operating costs for a given month exceed revenues collected, the excess costs may be carried forward within the same fiscal year (except for June collections) until eligible revenues are available to fully recover the eligible costs. For example, operating costs for June collections are “taken off the top” as part of the June reporting in accordance with local requirements and statute, but not more than 45 days after the month of collection or August. The net revenues (after cost recovery) available for distribution should be allocated to those accounts on which collections were made. Net revenues should be prorated to each distribution component of the account. Therefore, distributions to state, county, city, and court should be reduced by the eligible comprehensive collection costs in proportion to their share of the total revenues. However, victim restitution orders cannot be reduced and are *not* part of revenues that can be used for cost recovery.

As noted in the *Assembly Bill 3000 Court Surcharge Distribution Guidelines* of the State Controller’s Office, comprehensive collection program costs can be recovered before the other distributions provided in Penal Code section 1203.1d. Therefore, if a delinquent account is collected by installment payments, the costs associated with this program are not priority 4 distributions. However, as with all installment payment distributions, the remaining priorities specified in Penal Code section 1203.1d should be followed. Thus, after victim restitution is paid and the program costs are recovered, the installment payments are applied to distributions in the priority order mandated by that code section, as follows:

- Second priority—20 percent state surcharge
- Third priority—fines, penalty assessments, and restitution fines
- Fourth priority—all other reimbursable costs (such as court operations assessments, civil assessments, and costs unrelated to collection)*

* *Note:* First priority—victim restitution order payments received—are distributed before any program costs are recovered or any distributions are made to other entities.

Cost Recovery—Example

Once the cost of the program for a given month is determined and charged to the account, the remaining amount should then be distributed to the various governmental entities required by any other provision of law.

A comprehensive collection program should charge the cost of collections on a prorated basis, each month, against the revenue collected. An example of the distribution of cost on a prorated basis is depicted in Attachment C. Column A illustrates the percentage used to calculate the cost of collections. Column B illustrates the \$2,506,686 total gross revenue collected for each of the revenue accounts.

Example: The total gross revenue collected in the Courthouse Construction Fund equals \$206,377. The total amount of revenue is \$2,506,686. Therefore, \$206,377 divided by \$2,506, 6865 (100 percent) is 8.2 percent

Column C illustrates the \$464,140 total cost of collections based on the percentage in Column A, as well as the revenue collected for each of the revenue accounts in Column B. The \$2,042,546 in Column D is the net revenue amount that should be distributed to other government entities.

Discharge of Accountability

The court or county may perform collection activities related to the discharge of debt deemed uncollectible. Such activities may include researching and identifying uncollectible debt, preparation of reports, and the application and approval process as defined in Government Code section 25257- 25259.95. Costs may only be recovered in the same fiscal year in which the costs were incurred, with the appropriate documentation.

Definitions

The following definitions are provided to assist with the understanding of the standards for cost recovery.

Account: As used in these guidelines, “account” means an amount due on a case, regardless of the number of violations involved. The term does not refer to a record that was established to consolidate the accounting and record keeping for the collection of multiple cases for that individual.

Accounts Receivable: An accounts receivable is a set of receivables if paid in installments, pursuant to Penal Code section 1205 (d) or that are not paid forthwith.

Capital Expenditures: Capital expenditures must be excluded from the cost of operating a comprehensive collection program. Capital expenditures are made to acquire fixed assets. Fixed assets are tangible property of significant value that have a utility that extends beyond one year and are broadly classified as land, structures, improvements, and equipment. Depreciation associated with capitalized assets is not an allowable cost in a comprehensive collection program. Courts are required to use the \$5,000 capitalization threshold established by the Judicial Council in determining which acquisitions are considered capital expenditures. Counties are required to use the capitalization threshold established by their local Board of Supervisors.

Comprehensive Collections Programs: Comprehensive collections programs collect delinquent fines, fees, penalties, assessments, and forfeitures and meet the criteria under Penal Code section 1463.007. Revenues collected by a comprehensive collections program should be included in the Collections Reporting Template.

Delinquent Account: An account is considered to be delinquent the day after the payment is due regardless of whether an individual owes bail, full payment, or an installment payment. For the

purpose of cost recovery, once debt becomes delinquent it continues to be delinquent and may be subject to collection by a comprehensive collection program.

Enhanced Collections: Enhanced collections are non-forthwith collection activities related to enhancing collection programs where costs are incurred and paid directly by or reimbursed by the county, and are not cost recoverable. These collections are also included in the Collections Reporting Template.

Fines, Fees, Penalties, Assessments, and Forfeitures: Fines, fees, penalties, assessments, and forfeitures include all amounts owed by an individual on an infraction, misdemeanor, or felony case (other than parking).

Forthwith Payments: This collections category involves payments on the same day as the court order and generally involves no 'extra' cost. Forthwith payments are distinguished from enhanced collections primarily by the timing of the payments. Any of these associated costs should not be reported as an enhanced or delinquent collection cost. Forthwith payments are included as a separate category on the Collections Reporting Template.

Installment Payment: Installment payments or time payments are made periodically on an account. Cost recovery does not apply when an individual is paying a fine, fee, penalty, assessment, or forfeiture through time payments, unless he or she is delinquent according to the agreed-upon payment schedule. A delinquent account may be reinstated to installment payments, and costs associated with collection activities on this reinstated account are eligible for cost recovery.

Intra-Branch Program: An intra-branch program is a court or a county collection service provided under a written memorandum of understanding (MOU) to another court or county.

Operating Costs: Eligible operating costs of a comprehensive collection program may include, but are not limited to, salaries, wages, benefits, services and supplies, contractual collection costs, and indirect costs allocated to collection activities. Service and supply costs eligible for cost recovery may include, but are not limited to, communication, office supplies, postage, and data processing. Indirect costs and general administrative costs must be supported by documentation and have a reasonable basis for allocation.

Salaries, Wages, and Benefits: Personnel expenses (salaries, wages, and benefits) include permanent salaries and wages, temporary help, overtime, Social Security and Medicare, group insurance, retirement (nonjudicial), workers' compensation, unemployment insurance, other benefits (such as parking, public transit, state disability insurance, etc.).

Salary and Benefit Savings: Salary and benefit savings result from non-expenditure of costs related to salaries, wages, and benefits and are not cost recoverable.

Attachments

Attachment A – Penal Code section 1463.007

Attachment B – Cost Recovery Report

Attachment C – Distribution Template

Cost Recovery Report

NAME - COURT/COUNTY COST RECOVERY FOR THE PERIOD ENDING MM/DD/YYYY	
Description	Cost of Collections
SALARIES & BENEFITS:	
Salaries and Wages - Regular	\$ -
Temporary Help	\$ -
Overtime	\$ -
Total Salaries and Wages	\$ -
Social Security Insurance & Medicare	\$ -
Group Insurance	\$ -
Retirement (non-judicial)	\$ -
Worker's Compensation	\$ -
Unemployment Insurance	\$ -
Other Benefits	\$ -
Total Fringe Benefits	\$ -
TOTAL SALARIES & BENEFITS	\$ -
OPERATING EXPENSE & EQUIPMENT	
Moving and Relocation	\$ -
Dues & Memberships-Legal Staff	\$ -
Dues & Memberships-Other	\$ -
Miscellaneous Office Supplies	\$ -
Printed Library Materials	\$ -
Electronic Reference Resources	\$ -
Minor Equipment - Non-EDP** (under \$5,000 per item)	\$ -
Minor Equipment - EDP (under \$5,000 per item)	\$ -
Office Equipment Rental, Maintenance & Repairs	\$ -
General Expense Not Reported Elsewhere	\$ -
Office Copier Expense	\$ -
Printed Forms & Stationery	\$ -
Telecommunications	\$ -
ISP & Leased Line Charges	\$ -
Postage	\$ -
In-State Travel	\$ -
Out-of-State Travel	\$ -
Training	\$ -
Rent	\$ -
Janitorial Services	\$ -
Utilities	\$ -
General Consultant & Professional Services	\$ -
Agency Temporary Help	\$ -
EDP Maintenance	\$ -
EDP Commercial Contract	\$ -
EDP Interagency Agreement	\$ -
EDP Repairs & Supplies	\$ -
EDP Software & Licensing	\$ -
EDP Equipment Rental/Lease	\$ -
Other EDP Expenditures	\$ -
Judgments, Settlements & Claims	\$ -
**Electronic Data Processing (EDP)	
TOTAL OPERATING EXPENSE & EQUIPMENT	\$ -
Administrative Services *(10% of Salaries and Wages as permitted under Trial Court Financial Policies and Procedures Manual and OMB Circular A- 87)	\$ -
Total Costs subject to recovery prior to any revenue distribution	\$ -

Distribution Template (Attachment C)

Attachment A3

SUPERIOR COURT OF CALIFORNIA
 COUNTY OF _____
 ANALYSIS OF COLLECTION CHARGES DISTRIBUTION
 FOR THE MONTH OF _____ 20__

Cost: \$464,140

	Column A	Column B	Column C	Column D
	Percent	PC 1463.007 Delinquent Revenue	Cost of Collections	Net Revenue Collected
Alcohol Abuse Prevention	0.0%	\$ 77	\$14	\$ 63
Criminal Just Construction Fund	7.1%	\$ 177,176	\$32,806	\$ 144,370
Warrant Assessment	0.2%	\$ 6,212	\$1,150	\$ 5,062
Courthouse Construction Fund	8.2%	\$ 206,377	\$38,213	\$ 168,164
Domestic Violence Special Fund	0.1%	\$ 3,592	\$665	\$ 2,927
City General Fund - City A	0.0%	\$ 1,004	\$186	\$ 818
City Base Fine - City A	0.0%	\$ 976	\$181	\$ 795
City General Fund - City A	0.3%	\$ 7,870	\$1,457	\$ 6,412
City Base Fine - City A	0.3%	\$ 8,521	\$1,578	\$ 6,943
City General Fund - City A	0.0%	\$ 11	\$2	\$ 9
City General Fund - City A	0.0%	\$ 623	\$115	\$ 508
City General Fund - City B	0.3%	\$ 6,469	\$1,198	\$ 5,271
City Base Fine - City B	0.3%	\$ 6,413	\$1,187	\$ 5,225
City General Fund - City B	0.1%	\$ 1,830	\$339	\$ 1,491
City Base Fine - City B	0.1%	\$ 1,710	\$317	\$ 1,394
City General Fund - City B	0.0%	\$ 66	\$12	\$ 54
Spay & Neuter Fee	0.0%	\$ 2	\$0	\$ 2
City General Fund - City B	0.0%	\$ 246	\$46	\$ 200
Booking Fee - City B	0.3%	\$ 7,924	\$1,467	\$ 6,457
City General Fund - City C	2.9%	\$ 73,163	\$13,547	\$ 59,616
City Base Fine - City C	2.7%	\$ 67,986	\$12,588	\$ 55,398
City General Fund - City C	0.2%	\$ 4,150	\$768	\$ 3,382
City Base Fine - City C	0.1%	\$ 3,667	\$679	\$ 2,988
Crime Preve Prg Fine	0.0%	\$ 2	\$0	\$ 2
City General Fund - City C	0.0%	\$ 313	\$58	\$ 255
City General Fund - City C	0.1%	\$ 2,406	\$445	\$ 1,960
Booking Fee - City C	2.0%	\$ 49,985	\$9,255	\$ 40,730
Fingerprint ID Fund	1.2%	\$ 29,319	\$5,429	\$ 23,891
Criminal Lab Fee	0.1%	\$ 3,017	\$559	\$ 2,459
Proof Of Correction	0.2%	\$ 4,059	\$752	\$ 3,307
State Penalty Fund	0.1%	\$ 2,188	\$405	\$ 1,783
State Sex Offender Fund	0.0%	\$ 353	\$65	\$ 288
Trauma Head Injury	0.0%	\$ 968	\$179	\$ 789
State Motor Vehicle Fund	0.0%	\$ 900	\$167	\$ 734
Restitution Fine	6.3%	\$ 158,591	\$29,365	\$ 129,226
State Penalty Fund	16.4%	\$ 410,566	\$76,021	\$ 334,545
Fish & Game	0.1%	\$ 1,563	\$289	\$ 1,273
Victim Indemnity	0.2%	\$ 4,909	\$909	\$ 4,000
State Health & Safety	0.4%	\$ 10,809	\$2,001	\$ 8,808
Surcharge (-\$10,000)	0.0%	\$ 10	\$2	\$ 8
Fish & Game Preservation Fund	0.0%	\$ 93	\$17	\$ 76
Restitution Divers Fee	0.4%	\$ 9,134	\$1,691	\$ 7,443
Domestic Violence Fund	0.2%	\$ 4,024	\$745	\$ 3,279
Court Automation	1.5%	\$ 37,034	\$6,857	\$ 30,177
State General Fund	0.1%	\$ 2,925	\$542	\$ 2,384
Crim Fine Surcharge	5.0%	\$ 126,386	\$23,402	\$ 102,985
State Crt Const Pen	2.1%	\$ 51,714	\$9,575	\$ 42,139
Civil Assessment	2.6%	\$ 64,156	\$11,879	\$ 52,277
County General Fund	2.9%	\$ 72,823	\$13,484	\$ 59,339
Base Fine - County	8.7%	\$ 216,951	\$40,171	\$ 176,780

Distribution Template (Attachment C)

Attachment A3

County General Fund	0.6%	\$	15,489	\$2,868	\$	12,621
Base Fine - County	1.5%	\$	38,367	\$7,104	\$	31,263
School Fund	0.0%	\$	37	\$7	\$	31
Penalty Assessment	7.0%	\$	175,900	\$32,570	\$	143,331
Clerk's Filing Fee	0.0%	\$	376	\$70	\$	306
Clerk's Filing Fee	0.0%	\$	663	\$123	\$	540
Split Filing Fee	0.4%	\$	11,082	\$2,052	\$	9,030
Collection Service Fee	1.9%	\$	48,859	\$9,047	\$	39,812
County General Fund	0.0%	\$	62	\$11	\$	50
Proof Of Correction	0.2%	\$	5,247	\$971	\$	4,275
DUI Admin Fee	0.2%	\$	5,534	\$1,025	\$	4,509
Returned Check Svc Chg	0.1%	\$	3,158	\$585	\$	2,573
Public Defender Fees	2.2%	\$	56,087	\$10,385	\$	45,702
Alcohol Content Test	0.7%	\$	17,248	\$3,194	\$	14,054
DA Child Abduction	0.3%	\$	7,240	\$1,340	\$	5,899
Booking Fees - County	1.5%	\$	36,554	\$6,768	\$	29,785
Juv Hall Costs	1.3%	\$	32,492	\$6,016	\$	26,476
Prpty Damage J/Hall	0.0%	\$	0	\$0	\$	0
Sub Abuse Fee	0.0%	\$	0	\$0	\$	0
Cost of Probation	1.4%	\$	34,518	\$6,391	\$	28,126
Prob/Summary Fee	0.2%	\$	4,296	\$795	\$	3,500
Diversion Fee/Prob	0.4%	\$	10,626	\$1,967	\$	8,658
Adult Work Prog Fee	0.6%	\$	16,251	\$3,009	\$	13,242
Juv Cost Probation	0.6%	\$	15,416	\$2,854	\$	12,562
Record Seal - Juv	0.0%	\$	240	\$44	\$	196
Juv Home Elect Cost	0.0%	\$	502	\$93	\$	409
HEC Fees Adult	0.1%	\$	3,369	\$624	\$	2,745
HEC & Juv Strap Fee	0.0%	\$	16	\$3	\$	13
Supervised OR Fee	0.0%	\$	172	\$32	\$	141
Juv Camp Costs	0.5%	\$	11,365	\$2,104	\$	9,260
Fish & Game	0.1%	\$	2,502	\$463	\$	2,038
County Health Department	0.1%	\$	2,366	\$438	\$	1,928
ALC Rehab Program	0.7%	\$	16,552	\$3,065	\$	13,487
Alcohol Abuse Prevention	0.0%	\$	507	\$94	\$	413
Juvenile Dependency	0.0%	\$	85	\$16	\$	69
Court Appt Attorney/Minor	0.1%	\$	3,745	\$693	\$	3,051
VC Admin Assessment	0.6%	\$	15,297	\$2,832	\$	12,465
Installment Collection Fee	2.3%	\$	57,962	\$10,732	\$	47,230
Admin Fund - VC16028	0.2%	\$	5,166	\$957	\$	4,210
Misc. Revenue	0.0%	\$	96	\$18	\$	79
COLLECTIONS TOTAL	100.0%	\$	2,506,686	\$ 464,140	\$	2,042,546

Collections Reporting Template Instructions

1. About the Collections Reporting Template

Under Penal Code section 1463.010, each superior court and county shall jointly submit information to the Judicial Council in a reporting template on or before September 1, 2009, and annually thereafter. The Judicial Council is required to develop performance measures and benchmarks to review the effectiveness of the cooperative superior court and county collection programs and report to the Legislature about which court or county is following best practices, the performance of each collection program, and any changes to improve performance of collection programs on a statewide basis.

The following worksheets must be completed and submitted to the Administrative Office of the Courts as part of the Collections Reporting Template:

- Contact and Other Information
- Program Report
- Performance Report
- Annual Financial Report

2. Due Date

The Collections Reporting Template is due annually on or before September 1 following each fiscal reporting period.

3. Reporting Period

The Collections Reporting Template should be completed for the period of July 1 through June 30.

4. What Should Be Reported

The following should be reported in the Collections Reporting Template:

- All delinquent court-ordered fines, fees, forfeitures, penalties, and assessments, victim restitution, and other criminal justice reimbursements imposed by law or court order in criminal (infraction, misdemeanor, and felony) cases, including juvenile delinquency cases. Report all revenues generated by each collection program (e.g., court, county, private agency, Franchise Tax Board, or an Intra-branch Program).
- All revenues generated from non-delinquent cases.
- All court-ordered debt due to the state, county, city, and local government entities or other parties for which the court or county is collecting either directly or through a collection agency.
- Debt balances, both monetary and nonmonetary, that occurred during the reporting period.

Fees collected in non-criminal cases (e.g., civil, probate, family, mental health, and juvenile dependency) should not be reported in the template.

5. Worksheet 1: Contact and Other Information

In addition to basic contact information, this worksheet captures program information including the extent to which Penal Code section 1463.007 components are being met. Programs should respond to the questions as they pertain to each collection program (e.g., court, county, private agency, the Franchise Tax Board, or an Intra-branch Program). A court or county collection program that has entered into a contract with another court or county for collection services should report the components used by the collecting entity in column 5 (Components Used by Intra-branch Program).

6. Worksheet 2: Program Report

Programs should provide a description of any changes to collections during the fiscal year in the Program Report worksheet, describe the extent to which they are meeting the Judicial Council–approved Collections Best Practices, and identify any obstacles or problems that prevent the program from meeting the best practices. Programs may indicate areas in which training, assistance, or additional information is necessary in the collection-related topics that are listed in the second section. If additional space is required, please submit the information as an attachment in Microsoft Word format.

7. Worksheet 3: Performance Report

Programs should provide a summary of the collection program’s performance during the reporting period. If additional space is required, please submit the information as an attachment in Microsoft Word format.

8. Worksheet 4: Annual Financial Report

The Annual Financial Report worksheet captures the total revenue collected, court-ordered adjustments, discharged debt, and cost of collections. Note: this worksheet is protected and data entry is permitted only in unshaded cells. (Refer to sections that follow for instructions on how to complete this worksheet.)

Rows 3–9, Fines, Fees, Forfeitures, Penalties, and Assessments

For each collection program, enter all transactions, adjustments, and discharged debt that occurred during the reporting period. Include in this worksheet all collections activity by each collection program.

- In row 3, report only non-delinquent gross revenue collected (e.g., traffic bail forfeitures, forthwith payments, accounts receivable, and current payment plans).
- In rows 4–9, report revenue collected, cost of collections, adjustments, and discharges on delinquent matters only.
- In row 8, report revenue collected by an Intra-branch Program. A court or county that refers delinquent cases to another court or county for collections services should report information in rows 8, 28, 43, and 54 of the Annual Financial Report, as appropriate.
- In rows 9, 29, 44, and 55 enter amounts that cannot be broken out or attributed to a single collection program (e.g., court, county, private agency, Franchise Tax Board, or an Intra-branch Program). Revenue collected by the Franchise Tax Board’s

Interagency Intercept Collections (FTB-IIC) program or the Department of Motor Vehicles, should be reported in row 9, column D.

Column B: Number of Cases Established/ Referred in Period

Enter the total net number of new cases established or initially referred to each respective collection program within the reporting period. Cases that were previously established, but never referred to collections, are considered new cases and should be reported in column B.

Column C: Value of Cases Established or Referred in the Reporting Period

Enter the total net value of new cases identified in column B that were established or referred during the reporting period. Debt established and/or referred to a program in prior reporting periods should be excluded. Debt balances transferred or returned from one collection program to another should be included in column C.

The transfer or return of debt balances between programs that was entered in the Debt Transfers column should now be entered in column C as the “net” total value.

For example: In the FY 2010–11 version of Collections Reporting Template, if a court collection program established cases with a total value of \$1,000 for the reporting period, and transferred \$700 to a private vendor, the transfer would have been entered as -\$700 in column D, row 4, and +\$700 in column D, row 6.

In the revised FY 2011–12 Collections Reporting Template, the debt balance should be entered as +\$300 in column C, row 4, and +\$700 in column C, row 6.

Column D: Gross Revenue Collected During the Period

Enter the total amount of delinquent revenue collected by each collection program during the reporting period and from all outstanding debt (case inventory). In row 3, include non-delinquent traffic bail forfeitures, forthwith payments, accounts receivable, and current payment plans.

Column E: Cost of Collections

Enter as a negative number the cost of collections allowable for recovery under Penal Code section 1463.007.

Column F: Adjustments

Enter the total dollar value of suspensions, alternative payments, dismissals, or other non-cash adjustments that occurred during the period. This should be entered as a positive number if the net effect is to reduce the amount of debt outstanding or a negative (–) number if the net effect is to increase the amount of debt outstanding. Charges for a bad check would be entered as a negative (–) dollar amount, as this would increase the amount of debt outstanding.

Column G: Discharge from Accountability

Enter the total dollar value of discharged accounts, under Government Code sections 25257–25259.95 that occurred during the reporting period. This should be entered as a positive number as the net effect is to reduce the amount of debt outstanding.

For example, if a \$600 debt being collected by the county is discharged, +\$600 would be entered in column G, row 5.

Rows 11–23, Quality Checklist

Review each quality criterion and check the box to attest that the data supplied conforms to the specification. Do not check the box if the information provided does not conform to the quality criterion. The Quality Checklist should be used to double-check the accuracy of information provided in the Annual Financial Report of this Collections Reporting Template. For boxes left unchecked, provide an explanation in the Program Report worksheet.

Rows 24–29, Beginning and Ending Balances: Fines, Fees, Forfeitures, Penalties, and Assessments

The Beginning and Ending Balances section should include the number and value of cases of all delinquent outstanding debt (case inventory). For each program type, enter the number of cases in columns H and K and the value of cases in columns I and L. If you cannot provide information by program type, please report in “Other” (row 29).

Column H, Number of Cases—Beginning Balance

Enter the total number of cases at the beginning of the period. The number should be the same as the number of cases at the end of the prior reporting period.

Column I, Value of Cases—Beginning Balance

This data represents the ending balance reported by the court/county for the prior reporting period. Any variance should be reported and explained in the Program Report worksheet.

Column J, Change in Value

Column J is the value of column C less the amounts shown in columns D, F, and G (this field is formula-driven, so no separate calculation or entry is required).

Column K, Number of Cases—Ending Balance

Enter the total number of cases at the end of the current reporting period for each program.

Column L, Value of Cases—Ending Balance

Enter the total net value of cases at the end of the reporting period for each program. The ending balance is the value of cases at the beginning of the current reporting period plus the change in value reported for the period in Column J.

Column M, Error Messages

This data field displays “Out of Balance” if the ending balance does not equal the beginning balance plus the sum of transactions that occurred during the period. For example:

- If the beginning balance for the County Collection Program in column I, row 25 is \$10,000,000; and
- The total value of cases referred in column C, row 5 is \$3,000,000; and
- The gross revenue collected in column D, row 5 is \$2,000,000; and
- The value of adjustments in column F, row 5 is \$250,000, and
- The value of discharged debt in column G, row 5 is \$250,000;
- Then the ending balance reported in column L, row 25 should be \$10,500,000, because

$$\$10,000,000 + \$3,000,000 - \$2,000,000 - \$250,000 - \$250,000 = \$10,500,000.$$

If the ending balance in column L reconciles to the program’s case management and/or accounting system, explain the “Error Message” in the Program Report worksheet.

Rows 31–37, Quality Checklist

Review each quality criterion and check the box to attest that the data supplied conforms to the specification. Do not check the box if the data supplied does not conform to a particular quality criterion. The Quality Checklist should be used to double-check that the Annual Financial Report of this Collections Reporting Template is filled out correctly. For boxes left unchecked, provide an explanation in the Program Report worksheet.

Rows 38–44, Victim Restitution and Other Justice-Related Reimbursements

Enter transactions or adjustments that occurred during the reporting period including restitution owed to a victim by court order under Penal Code section 1202.4(f) and other justice-related fees not reported in rows 4-9.

Column N: Number of Cases Established/ Referred in Period

Enter the total net number of new cases established or initially referred to each respective collection program within the reporting period. Cases that were previously established, but never referred to collections, are considered *new* cases and should be reported in column N.

Column O: Value of Cases Established or Referred in the Reporting Period

Enter the total net value of new cases identified in column N that were established or referred during the reporting period. Debt established and/or referred to a program in prior reporting periods should be excluded. Debt balances transferred or returned from one collection program to another should be included in column O. (See example on use of column O on Page 3, Column C: Value of Cases Established or Referred in the Reporting Period.)

Rows 46–49, Quality Checklist

Confirm that the data reported complies with the stated specification. For boxes left unchecked, explain in the Program Report worksheet.

Rows 50–55: Beginning and Ending Balances: Victim Restitution and Other Justice-Related Reimbursements:

The Beginning and Ending Balance sections should include the number and value of cases of all delinquent outstanding debt (case inventory). In addition to restitution, debt balance may include other criminal justice–related fees not reported in rows 24–29.

- Instructions are the same as those for rows 24–29, except for the type of debt reported.
- The ending balance in column W should equal the beginning balance in column U plus the sum of transactions shown in column S ($S = O - P - Q - R$).

Column X

Enter a brief description of the debt reported in Column P of this worksheet. If the description is lengthy, include it in the Performance Report worksheet.

Row 57, Quality Checklist

Confirm that the reported data complies with the stated specifications.

Rows 58–59, Collections Metrics for Fines, Fees, Forfeitures, Penalties, and Assessments

These are self-populating calculated fields and no entry is required. The numbers provide a quantitative explanation of aggregate collections performance for delinquent debt.

Rows 60–61, Error/Warning Messages

These rows are blank unless errors or potential errors are detected in the worksheet. If error messages are present, please correct the identified error.

9. Signature Block

Print your name, sign, and date the Annual Financial Report worksheet.

10. Submitting the Collections Reporting Template

After you have completed the Collections Reporting Template:

- Print all completed worksheets in the Collections Reporting Template;
- Obtain the authorized court representative *and* county representative signatures;
- Fax or mail the original signed report to the AOC Enhanced Collections Unit; and
- E-mail all worksheets listed in section 1 to collections@jud.ca.gov.

Contact Information

Administrative Office of the Courts
Finance Division, Enhanced Collections Unit

2255 North Ontario Street, Suite 200
Burbank, California 91504-3188
Phone: 818-558-3221 Fax: 818-558-3112
E-mail: collections@jud.ca.gov

If You Have Questions

If you have any questions about the Collections Reporting Template, please contact the AOC Enhanced Collections Unit at 818-558-3221 or collections@jud.ca.gov.

**Collections Reporting Template
Glossary**

Accounts Receivable (A/R): An accounts receivable is a set of account receivables if paid in installments, pursuant to Penal Code section 1205(d) or that are not paid forthwith.

Adjustments: An adjustment is any change in the total of debt due after the initial determination of the amount of outstanding delinquent debt. Non-cash adjustments include the suspension of all or a portion of bail, fines, fees, penalties, forfeitures, or assessments. Alternative payments may include community service in lieu of a fine; dismissals include dismissing all or a portion of the debt. Cash adjustments include fees added for payment by an insufficient funds check (NSF) or a correction to the initial assessment amount. The imposition of a civil assessment is not considered an adjustment.

Alternative Sentence: This refers to a different option for resolving court-ordered debt, such as community service in lieu of bail or fines, designed for an individual who demonstrates an inability to pay.

Case: For the purposes of the Collections Reporting Template, a case is a set of official court documents filed in connection with an infraction, misdemeanor, or felony violation.

Community Service: This refers to the hours of service that are converted to a monetary value and applied to the fines, fees, forfeitures, penalties, and assessments and reduce the imposed amount.

Comprehensive Collection Program: A program that collects eligible delinquent court-ordered fines, fees, forfeitures, penalties, and assessments on infraction, misdemeanor, and felony cases, as authorized by Penal Code section 1463.007.

Continuance: A continuance is the postponement of a hearing, trial, or other scheduled court proceeding at the request of either or both parties in a court dispute, or by the judge. For purposes of the Collections Reporting Template, a continuance is the postponement, stay, or withholding of payment under certain conditions for a temporary period of time.

Cost of Collections: The costs of operating a collections program that are allowed to be offset against collected delinquent revenues prior to distribution under Penal Code section 1463.007.

County Collection Program: A collection program administered by the county.

Court Collection Program: A collection program administered by the local superior court.

Delinquent Account: A delinquent account results when an individual has not appeared in court as promised or has not complied with a court order for payment of fines, fees, penalties, forfeitures, and assessments or with the terms and conditions of a payment plan or accounts

receivable (A/R) plan. Once the debt becomes delinquent, it continues to be delinquent and may be subject to collection by a comprehensive collection program.

Discharged Account: An account that has been deemed uncollectible and discharged from accountability. The actual discharge is based on established criteria by an authorized body, pursuant to Government Code sections 25257–25259.95.

Dismissal: A judgment that disposes a matter in a case. For the purposes of the Collections Reporting Template, this term refers to a criminal action dropped without settling the involved issues. The initial court-ordered debt no longer exists.

Enhanced Collections: Enhanced collections are non-forthwith collection activities related to enhancing collection programs where costs are incurred and paid directly by or reimbursed by the county, and are not cost recoverable. These collections are also included in the Collections Reporting Template.

Forthwith Payments: Full payment of court-ordered fines, fees, forfeitures, penalties, and assessments on or before the due date. Installment and accounts receivable plans are not forthwith payments.

Franchise Tax Board Court-Ordered Debt (FTB-COD) Program: The Franchise Tax Board collection program authorized under Revenue and Taxation Code section 19280.

Franchise Tax Board Interagency Intercept Collections (FTB-IIC) Program: A program of the Franchise Tax Board authorized by Government Code section 12419.10(a)(1) to collect court-ordered fines, fees, forfeitures, assessments, and penalties from Franchise Tax Board refunds, unclaimed property, or California State Lottery winnings.

Gross Revenue Collected: Monies collected toward the satisfaction of a court-ordered debt by collection programs prior to any reductions.

Installment Payment: A scheduled payment agreed upon by the defendant and the court or county collection program, as established in Penal Code section 1205(d).

Intra-branch Program: An Intra-branch Program is a court or a county collection service provided under a written Memorandum of Understanding (MOU) to another court or county.

Net Revenue: Gross revenue collected less any reductions (i.e., allowable cost offsets pursuant to Penal Code section 1463.007).

Non-delinquent Collections: All non-delinquent revenue collected during the reporting period, including bail forfeitures, forthwith payments, and current payments made on accounts receivables and installment payment plans; recorded on row 3, column D of the Annual Financial Report worksheet.

Other Justice-Related Reimbursements: Monies owed to entities other than state, counties, cities, or local governments, such restitution to a victim.

“Other” Program: This refers to the “Other” row, row 9, of the Annual Financial Report worksheet and captures revenue that cannot be broken out or attributed to a single collecting entity (e.g., court, county, private agency, the FTB or an Intra-branch Program). Any amount reported on this row should be explained in the Program Report worksheet.

Penal Code section 1463.007: This statute specifies the criteria for a comprehensive collection program and allows the county and/or court to deduct, and deposit in the county treasury or trial court operations fund, the cost of operating a comprehensive collection program prior to distributing revenues to other governmental entities.

Private Agency: A private entity employed or contracted to collect court-ordered fines, fees, forfeitures, assessments, and penalties.

Referral: A referral is a newly established delinquent court-ordered debt submitted to a collection program during the reporting period.

Suspensions: Amounts that are reduced or eliminated as a result of a judicial order.

Value of Cases: The value of a case is the amount of court-ordered debt that is owed and is deemed collectible. For closed cases, the value is the sum of (gross) debt collected, dismissals, alternative payments, suspensions, and discharged accounts.

Victim Restitution: Victim restitution is an amount that is owed to a victim who incurs any economic loss as a result of a crime and that is payable directly from a defendant convicted of the crime as a condition of probation; see Penal Code section 1202.4(f). The restitution fine under Penal Code section 1202.4(b) is also court-ordered, but is not paid directly to the victim.

Contact and Other Information

1	Court/County	Select court/county (see Contact Information wo
2	Court Contact:	
3	Telephone Number:	
4	E-mail Address:	
5	County Contact:	
6	Telephone Number:	
7	E-mail Address:	
8	List Collection Agencies or Programs Used, by order in which debt is referred:	1.
9		2.
10		3.
		4.
		5.

11	Does your court/county have a comprehensive collections program pursuant to Penal Code 1463.007?					
12	Which of the comprehensive collection program components, pursuant to Penal Code 1463.007, does your court/county currently use? If you indicated YES to question #11, you must check all in section I and at least 5 components in section II.	Components used by Court	Components used by County	Components used by Private Agency	Components used by FTB	Components used by Intra-branch
I.	a. Attempts telephone contact with delinquent debtors for whom the program has a phone number to inform them of their delinquent status and payment options.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	b. Notifies delinquent debtors for whom the program has an address in writing of their outstanding obligation within 95 days of delinquency.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	c. Generates internal monthly reports to track collections data, such as age of debt and delinquent amounts outstanding.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	d. Uses Department of Motor Vehicles information to locate delinquent debtors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	e. Accepts payment of delinquent debt by credit card.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
II.	a. Sends delinquent debt to the Franchise Tax Board's Court-Ordered Debt Collections Program.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	b. Sends delinquent debt to the Franchise Tax Board's Interagency Intercept Collections Program.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	c. Initiates driver's license suspension or hold actions when appropriate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	d. Contracts with one or more private debt collectors to collect delinquent debt.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	e. Sends monthly bills or account statements to all delinquent debtors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	f. Contracts with local, regional, state, or national skip tracing or locator resources or services to locate delinquent debtors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	g. Coordinates with the probation department to locate debtors who may be on formal or informal probation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	h. Uses Employment Development Department employment and wage information to collect delinquent debt.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	i. Establishes wage and bank account garnishments where appropriate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	j. Places liens on real property owned by delinquent debtors when appropriate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	k. Uses an automated dialer or automatic call distribution system to manage telephone calls.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13	Does the court impose a civil assessment for failure to appear on infraction cases?	
14	Does the court impose civil assessment for failure to pay on infraction cases?	
15	Does the court impose a civil assessment for failure to pay on misdemeanor cases?	
16	Does the court impose a civil assessment for failure to pay on felony cases?	
17	Does the court impose a civil assessment on any other case type? If yes, explain in the Program Report worksheet.	
18	Collection program to which the majority of delinquent debt is initially referred.	

Program Report

Select court/county (see Contact Information worksheet #1)

Use the space below to describe your collection program.

Describe the extent to which your collection program is meeting the Judicial Council approved Collections Best Practices and identify any obstacles or problems that prevent the collections program from meeting those objectives. In the description please identify which of the twenty-five (25) Best Practices your collection program has not been implemented. Also, identify any new or additional practices that have improved your collections program.

Type here.

Please identify areas in collections (check all that apply) in which program staff would like to receive training, assistance, or additional information.

- | | | |
|---|--|--|
| <input type="checkbox"/> Civil Assessment | <input type="checkbox"/> Revenue Distribution | <input type="checkbox"/> Private Collection Vendor Selection |
| <input type="checkbox"/> Cost Recovery | <input type="checkbox"/> Discharge from Accountability | <input type="checkbox"/> Other Collections-Related Issues |

Additional comments:

Performance Report

Select court/county (see Contact Information worksheet #1)
Use the space below to discuss your collection program.

Please provide any comments on your Gross Recovery Rate or Success Rate.

Type here.

Additional operational information about your collection program for this Reporting Period.

Annual Financial Report

Select court/county (see Contact Information worksheet #1)

REPORTING PERIOD			
Row	Program	Reporting Period	Col. A
1	Beginning Date	01-Jul-12	First day of Reporting Period
2	Ending Date	30-Jun-13	Last day of Reporting Period

FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS							
Row	Program	Number of Cases Established/Referred/Transferred in Period	Value of Cases Established/Referred/Transferred in Period	Gross Revenue Collected During the Period	Cost of Collections (pursuant to Penal Code 1463.007)	Adjustments	Discharge from Accountability
		Col. B	Col. C	Col. D	Col. E	Col. F	Col. G
3	Non-Delinquent Collections						
4	Court Collection Program						
5	County Collection Program						
6	Private Agency						
7	FTB Court-Ordered Debt						
8	Intra-branch Program						
9	Other						
10	Total	-	-	-	-	-	-

Row	Quality Checklist	Quality Criteria
11	<input type="checkbox"/>	Rows 3-9 include all fines, fees, forfeitures, penalties, and assessments except victim restitution and other justice related fees (see Row 46 for more information).
12	<input type="checkbox"/>	Rows 3-9 include traffic, criminal, and juvenile delinquency case types.
13	<input type="checkbox"/>	Rows 3-9 include infractions, misdemeanors and felonies.
14	<input type="checkbox"/>	Row 3 includes all collections for cases that were paid in full on or before the due date, or current installment or accounts receivable (A/R) payment plan.
15	<input type="checkbox"/>	Row, 3, Column D, includes all revenue collected for non-delinquent infraction, misdemeanor and felony cases.
16	<input type="checkbox"/>	Rows 3-9 include cases referred/established, revenue collected, adjustments, or discharges posted during the reporting period.
17	<input type="checkbox"/>	Rows 4-9, Columns B and C, represents new debt established or referred to collection programs.
18	<input type="checkbox"/>	Column C also includes debt that is transferred or returned from one collection program to another during the reporting period.
19	<input type="checkbox"/>	Rows 4-9 include all cases that were not paid in full on or before the due date.
20	<input type="checkbox"/>	Rows 4-9, Column D includes all monies received towards the satisfaction of delinquent court-ordered debts.
21	<input type="checkbox"/>	Column E includes the cost of collections that, pursuant to PC 1463.007, is allowable to offset revenue prior to distribution to other governmental entities. Cost of collections is entered in Column E as a negative number unless posting a reversal.
22	<input type="checkbox"/>	Value reported in Column F includes all court-ordered suspensions, alternative sentences, dismissals, or other non-cash adjustments that decrease or increase the amount outstanding for individual debt items.
23	<input type="checkbox"/>	Value reported in Column G includes all debt deemed uncollectible that has been discharged, per Government Code section 25257-25259.95.

FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS: BEGINNING AND ENDING BALANCES							
Row	Program	Number of Cases - Beginning Balance	Value of Cases - Beginning Balance	Change in Value (from above)	Number of Cases - Ending Balance	Value of Cases - Ending Balance	Error Messages
		Col. H	Col. I	Col. J	Col. K	Col. L	Col. M
24	Court Collection Program			-			
25	County Collection Program			-			
26	Private Agency			-			
27	FTB Court-Ordered Debt			-			
28	Intra-branch Program			-			
29	Other			-			
30	Total	-	-	-	-	-	

Row	Quality Checklist	Quality Criteria
31	<input type="checkbox"/>	Rows 24-29 include fines, fees, forfeitures, penalties, and assessments except victim restitution and other justice related fees.
32	<input type="checkbox"/>	Rows 24-29 include cases that have been referred to a collection program.
33	<input type="checkbox"/>	Columns I and L includes traffic, criminal, and juvenile delinquency case types.
34	<input type="checkbox"/>	Number of cases and value reported in Columns I and L reconcile to figures reported from underlying systems and vendors.
35	<input type="checkbox"/>	Number of cases and value reported in columns H and I match ending value reported in prior year.
36	<input type="checkbox"/>	Value of cases at end of period (Column L) balances to value of cases at beginning of period (Column I), plus change in value reported in Column J (which is the sum of Column C less the amounts shown in Columns D, F, and G).
37	<input type="checkbox"/>	No error messages shown in Column M. Note: An error message in Column M indicates that the beginning balance in Column I, plus the value of transactions reported in Column J (J = C- D - F- G) does not equal the ending balance reported in Column L.

Annual Financial Report

VICTIM RESTITUTION AND OTHER JUSTICE RELATED REIMBURSEMENTS							
		Number of Cases Established/ Referred/ Transferred in Period	Value of Cases Established/ Referred/ Transferred in Period	Gross Revenue Collected During the Period	Adjustments	Victim Restitution (PC1202.4 (f))	Change in Value
Row	Program	Col. N	Col. O	Col. P	Col. Q	Col. R	Col. S
38	Non-Delinquent Collections						
39	Court Collection Program						-
40	County Collection Program						-
41	Private Agency						-
42	FTB Court-Ordered Debt						-
43	Intra-branch Program						-
44	Other						-
45	Total	-	-	-	-	-	-

Row	Quality Checklist	Quality Criteria
46	<input type="checkbox"/>	Rows 38-44 include victim restitution and other justice related fees owed to other entities that were not included in Rows 4-9.
47	<input type="checkbox"/>	Rows 38-44 include only cases referred/established, revenue collected, or adjustment posted during the reporting period.
48	<input type="checkbox"/>	Column P includes gross revenue collected on other justice related fees and should be entered as a positive number unless posting reversal. Adjustments in Column Q are entered as a positive number if it causes the outstanding balance to decrease or as a negative number if it causes the outstanding balance to increase.
49	<input type="checkbox"/>	Column R includes revenue collected on restitution owed to a victim by court order under Penal Code section 1202.4 (f).

VICTIM RESTITUTION AND OTHER JUSTICE RELATED REIMBURSEMENTS: BEGINNING AND ENDING BALANCES							
		Number of Cases - Beginning Balance	Value of Cases - Beginning Balance	Number of Cases - Ending Balance	Value of Cases - Ending Balance	Description of Items Included	Error Messages
Row	Program	Col. T	Col. U	Col. V	Col. W	Col. X	Col. Y
50	Court Collection Program						
51	County Collection Program						
52	Private Agency						
53	FTB Court-Ordered Debt						
54	Intra-branch Program						
55	Other						
56	Total	-	-	-	-		

Row	Quality Checklist	Quality Criteria
57	<input type="checkbox"/>	Rows 50-55 include any victim restitution and other justice related fees owed to other entities that were not included in rows 24-29.

COLLECTIONS METRICS FOR FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS				
	Metric	Current Performance	Formula	Definition
Row	Col. Z	Col. AA	Col. AB	Col. AC
58	Gross Recovery Rate		$\frac{\text{Collections} + \text{Adjustments} + \text{Discharges}}{\text{Referrals}}$	Measures a collection program's ability to resolve delinquent court-ordered debt, including alternative sentences, community service, suspended sentences and discharges.
59	Success Rate		$\frac{\text{Collections}}{\text{Referrals} - \text{Adjustments} - \text{Discharges}}$	Measures the amount of revenue collected on delinquent court-ordered debt based on total delinquent accounts referred after adjustments and discharges, including NSF checks.

ERROR/WARNING MESSAGES	
60	
61	

Reviewed by Court

Printed Name

Signature

Date

Title (Court Executive or Presiding Judge)

Reviewed by County

Printed Name

Signature

Date

Title (County Auditor-Controller or other)

Penal Code

section 1463.007.(a) Notwithstanding any other provision of law, any county or court that operates a comprehensive collection program may deduct the costs of operating that program, excluding capital expenditures, from any revenues collected under that program. The costs shall be deducted before any distribution of revenues to other governmental entities required by any other provision of law. Any county or court operating a comprehensive collection program may establish a minimum base fee, fine, forfeiture, penalty, or assessment amount for inclusion in the program.

(b) Once debt becomes delinquent, it continues to be delinquent and may be subject to collection by a comprehensive collection program. Debt is delinquent and subject to collection by a comprehensive collection program if any of the following conditions is met:

(1) A defendant does not post bail or appear on or before the date on which he or she promised to appear, or any lawful continuance of that date, if that defendant was eligible to post and forfeit bail.

(2) A defendant does not pay the amount imposed by the court on or before the date ordered by the court, or any lawful continuance of that date.

(3) A defendant has failed to make an installment payment on the date specified by the court.

(c) For the purposes of this section, a "comprehensive collection program" is a separate and distinct revenue collection activity that meets each of the following criteria:

(1) The program identifies and collects amounts arising from delinquent court-ordered debt, whether or not a warrant has been issued against the alleged violator.

(2) The program complies with the requirements of subdivision (b) of Section 1463.010.

(3) The program engages in each of the following activities:

(A) Attempts telephone contact with delinquent debtors for whom the program has a phone number to inform them of their delinquent status and payment options.

(B) Notifies delinquent debtors for whom the program has an address in writing of their outstanding obligation within 95 days of delinquency.

(C) Generates internal monthly reports to track collections data, such as age of debt and delinquent amounts outstanding.

(D) Uses Department of Motor Vehicles information to locate delinquent debtors.

(E) Accepts payment of delinquent debt by credit card.

(4) The program engages in at least five of the following activities:

(A) Sends delinquent debt to the Franchise Tax Board's Court-Ordered Debt Collections Program.

(B) Sends delinquent debt to the Franchise Tax Board's Interagency Intercept Collections Program.

(C) Initiates driver's license suspension or hold actions when appropriate.

(D) Contracts with one or more private debt collectors to collect delinquent debt.

(E) Sends monthly bills or account statements to all delinquent debtors.

(F) Contracts with local, regional, state, or national skip tracing or locator resources or services to locate delinquent debtors.

(G) Coordinates with the probation department to locate debtors who may be on formal or informal probation.

(H) Uses Employment Development Department employment and wage information to collect delinquent debt.

(I) Establishes wage and bank account garnishments where appropriate.

Attachment C

(J) Places liens on real property owned by delinquent debtors when appropriate.

(K) Uses an automated dialer or automatic call distribution system to manage telephone calls.

(d) This section shall become operative on July 1, 2012.

Revisions to the Guidelines and Standards for Cost Recovery and Collections Reporting Template

All comments are verbatim unless indicated by an asterisk (*).

	Commentator	Position	Comment	Committee Response
1.	Raymond Tickner, Chief Financial Officer, Superior Court of Shasta County	AM	Page 4, 2nd paragraph, 1st sentence of the Guidelines and Standards for Cost Recovery refers to Assembly Bill 3000. I believe we should eliminate this reference as it could be confusing, because there is more than one Assembly Bill 3000 or if necessary to include, than chapter and year should be included.	The Enhanced Collections Unit (ECU) does not recommend changing or eliminating the reference to Assembly Bill 3000 because it is part of a California State Controllers report, entitled <i>Assembly Bill 3000 Court Surcharge Distributions Guidelines.</i> ”
2.	Karen White, Superior Court of Kern County	AM	The proposed changes to the reporting template were reviewed and we would like to see column D Debt Transfers remain so there is visibility to the gross numbers sent and returned rather than seeing a net figure.	The ECU recommends the deletion of the Debt Transfer column due to limitations in case management and accounting systems, as requested by collection programs. The Instructions for the Collections Reporting Template were revised to clarify the rationale for reporting net amounts. Revisions to the Collections Reporting Template do not affect performance measures or reporting to the legislature.
3.	Mike Roddy, Court Executive Officer, Superior Court of San Diego County	A	Agreed with proposed changes.	No response required.
4.	State of California Franchise Tax Board-Court Ordered Debt Collection Program, by Christopher Hicks, Program Manager	A	The Franchise Tax Board Court-Ordered Debt Collection Program reviewed the proposed modifications to the two documents and we do not have any concerns with revisions as drafted.	No response required.

Revisions to the Guidelines and Standards for Cost Recovery and Collections Reporting Template

All comments are verbatim unless indicated by an asterisk (*).

	Commentator	Position	Comment	Committee Response
5.	Julie Forrester, Assistant-Treasurer Tax Collector, Mendocino County	AM	<p>These guidelines limit cost recovery to the same fiscal year in which they are incurred, stating “If a program’s operating costs for a given month exceed revenues collected, the excess costs may be carried forward within the same fiscal year until eligible revenues are available to fully recover those eligible costs.”</p> <p>This can be problematic when resolving account billing problems with vendors which may go beyond the same fiscal year. These costs may not be recognized until the following fiscal year and should be available for cost recovery when resolved with the vendor. In the same manner a credit from a vendor due to a dispute with a bill may reduce the amount of expenses claimed under a program in the following fiscal year. Any expense or credits should be recognized regardless of fiscal year but programs should do their best to resolve these outstanding issues before close of the fiscal year.</p> <p>Revision suggested: Add this item as a “Best Practice” for programs to resolve any outstanding costs in the same fiscal year as they are incurred in order to bill against the program qualifying revenue in the same fiscal year.</p>	Agree. The Guidelines and Standards for Cost Recovery have been changed to clarify when the carryover of operating costs is allowed.

Revisions to the Guidelines and Standards for Cost Recovery and Collections Reporting Template

All comments are verbatim unless indicated by an asterisk (*).

	Commentator	Position	Comment	Committee Response
			<p>Comments for Collections Reporting Template revisions:</p> <p>Revisions to the Collections Reporting Template, Glossary</p> <p>The “Accounts Receivable” definition should be reworded as it sounds like installment payments are not considered accounts receivable and I do not think that was the intent.</p> <p>Revision suggested, change definition to: <i>An account is a set of receivables if paid in installments, pursuant to Penal Code section 1205(d) or that are not paid forthwith.</i></p> <p>Also update the definition which is found in both the Guidelines and Standards for Cost Recovery to match what is found in the Collections Reporting Template Glossary for consistency between documents.</p> <p>The “Adjustments” definition should not specifically exclude the imposition civil assessment. An account may become delinquent but not have the late penalties including civil assessment, security fee, and DMV added until later in the delinquency</p>	<p>Agree. The suggested change has been incorporated into the Collections Reporting Template, with minor modifications.</p> <p>Agree. The suggested change has been incorporated into the Guidelines and Standards for Cost Recovery, with minor modifications.</p> <p>A civil assessment is not an adjustment and should be reported as part of the <i>value</i> of the delinquent case, in column C.</p> <p>The civil assessment should be reported in column C as part of the value of the case regardless of</p>

Revisions to the Guidelines and Standards for Cost Recovery and Collections Reporting Template

All comments are verbatim unless indicated by an asterisk (*).

	Commentator	Position	Comment	Committee Response
			<p>collection process. The addition of these fees are an adjustment to an account. Any reduction or suspension, by the Court of civil assessment, would be included in the adjustments to the case and therefore the addition should be included as well.</p> <p>Add the definition for “Enhanced Collections” found in the Guidelines and Standards for Cost Recovery to the Collections Reporting Template Glossary for consistency between documents.</p>	<p>when it was imposed by the court.</p> <p>A civil assessment may only be reported in the Adjustments column when it is a court-ordered reduction, suspension, alternative sentence, or community service.</p> <p>Agree. The suggested change has been incorporated into the Collections Reporting Template, with minor modifications.</p>
6.	Superior Court of Los Angeles County	A	<p>Collections Metrics: As mentioned in prior Annual Financial Reports (FY 2008-09 & FY2009-10), the methodology used to calculate the Gross Recovery and Success Rate appear to overstate the percentages of those rates. To illustrate, the Gross Revenue reflects all revenue collected from all inventory but is only compared against the value of the cases established during the current reporting period, not against the entire inventory of accounts referred.</p> <p>FTB Tax Intercept Program Row: Rows 7, 27, 42, and 54 have been designed to capture data specifically for FTB Court-Ordered Debt program. LASC recommends adding a row for FTB Tax-Intercept Program considering the</p>	<p>The recommendations related to the collections metrics are being analyzed and will be presented to the courts’ Chief Financial Officers Roundtable and the Informal Collections Working Group for consideration. Resulting changes will be presented to the Judicial Council for approval.</p> <p>Revenues collected by the Franchise Tax Board’s Interagency Intercept Collections (FTB-IIC) program are captured in row 9, column D.</p>

Revisions to the Guidelines and Standards for Cost Recovery and Collections Reporting Template

All comments are verbatim unless indicated by an asterisk (*).

	Commentator	Position	Comment	Committee Response
			<p>FTB Tax Intercept Program is a component of Penal Code section 1463.007.</p> <p>Number and Value of Cases Established: Proposed changes include deleting Columns D and P, “Debt Transfers”, with that information being included (netted) in Columns C and O, “Value of Cases Established/Referred in Period”. However, this change alters the meaning of those columns. That is, on the old template, the number and value of cases reflect a gross total of cases referred with the value of Debt Transfer listed in a separate column. However, on the new reporting template, because Debt Transfers are included, the Number and Value of Cases are a net total. This could be confusing to people when comparing previous reports to future reports because the meaning of those columns (gross vs. net) has changed.</p> <p>To clarify the meaning of those columns, LASC recommends inserting the word “Net” for columns: B, C, N and O. I.e. “Net” Number of Cases Established /Referred in Period.</p>	<p>Column D, Debt Transfers, was deleted at the request of some collection programs due to limitations in case management and accounting systems.</p> <p>Agree. The Instructions section of the Collections Reporting Template has been revised to clarify where certain fees should be reported.</p>
7.	California Revenue Officers Association (CROA) <i>by Bruce Roberts</i>	AM	There is a revision related to the reporting of juvenile delinquency cases heard in juvenile court. This revision proposes that these cases,	Agree. Juvenile delinquency case types should be reported in rows 3-9 of the Collections Reporting Template.

Revisions to the Guidelines and Standards for Cost Recovery and Collections Reporting Template

All comments are verbatim unless indicated by an asterisk (*).

	Commentator	Position	Comment	Committee Response
			<p>which currently are reported on rows 3-9, “Fines, Fees, Forfeitures, Penalties”, should now be reported on rows 38-44, “Other Justice Related Reimbursements”. The intent of the Collection Reporting Template, as required under Penal Code § 1463.010, is to provide data to the State Legislature regarding the status of the collection of court-ordered debt. The State Legislature has indicated their interest in both adult and juvenile offenders in the establishment of a task force under Penal Code § 1463.02, which was created to evaluate court-ordered debts imposed against “adult and juvenile” offenders. Therefore, it appears that the State Legislature does not wish to differentiate between adult and juvenile cases of similar nature. Revenues from juvenile fines are very close to that of adult offenders in that, with few differences, collections on juvenile delinquency fines are distributed to the same recipient entities as collections on adult fines. Therefore, moving the reporting of these revenues does not seem in line with the intent of the State Legislature; these revenues should be considered part of “Fines, Fees, Forfeitures, and Penalties” and therefore, should be reported as such. In addition, if this proposed change were to be enacted, it would create undue hardship on</p>	

Revisions to the Guidelines and Standards for Cost Recovery and Collections Reporting Template

All comments are verbatim unless indicated by an asterisk (*).

	Commentator	Position	Comment	Committee Response
			<p>those agencies that presently combine adult and juvenile collections. These agencies would need to program system changes to segregate juvenile delinquency cases heard in juvenile court from all other case types. For some, due to system limitations, this simply may not be an option. Therefore, due to the increased workload this would impose and due to the fact that this does not seem aligned with legislative intent, we are requesting that juvenile delinquency cases heard in juvenile court continue to be reported in rows 3-9, “Fines, Fees, Forfeitures, Penalties, and Assessments.”</p> <p>The Court Reporting Template states that Court-appointed Counsel fees are to be reported under rows 38-44, “Victim Restitutions and Other Justice Related Reimbursements”. The Court Reporting Template Instructions offer the example of “alternate public defender and defense counsel fees” as fees that should be reported under rows 38-44. However, there still seems to be some confusion as to where on the report fees related to the Public Defender/Appointed Counsel should be reported. Public Defender fees were specifically referred to in the Legislative Counsel’s Digest for Assembly Bill No. 367</p>	<p>Agree. The Instructions section of the Collections Reporting Template has been revised to clarify where certain fees should be reported.</p> <p>Fees related to court appointed public defenders should be reported in rows 3-9.</p>

Revisions to the Guidelines and Standards for Cost Recovery and Collections Reporting Template

All comments are verbatim unless indicated by an asterisk (*).

	Commentator	Position	Comment	Committee Response
			<p>(2007) as part of those fees to which the cost of operating a comprehensive collection program may be deducted under Penal Code § 1463.007. As such, it seems appropriate that Public Defender fees, along with their associated cost of collection, should be reported under rows 3-9, “Fines, Fees, Forfeitures, Penalties, and Assessments”. Therefore, we would appreciate additional clarification as to which fees related to Public Defender/Appointed Counsel should be reported on rows 3-9 and which should be reported on rows 38-44. We do not feel the current instructions are clear enough to avoid potential errors in reporting.</p> <p>Finally, in the Collections Reporting Template Glossary, the definition of “Adjustments” specifically excludes civil assessments; therefore, civil assessments are to be reported as new referrals. This is extremely problematic. All existing cases are already included in an agency’s receivables. Under the proposed definition of Adjustment, if you add a civil assessment to existing case, you will need to report the civil assessment as a new referral. Doing so will require an agency to increase the number of accounts in their receivables by one. As a result, you now will have a single case</p>	<p>A civil assessment is not an adjustment and should be reported as part of the <i>value</i> of the delinquent case, in column C. The civil assessment should be reported in column C as part of the value of the case regardless of when it was imposed by the court.</p> <p>A civil assessment may only be reported in the Adjustments column if it results from a court-ordered reduction, suspension, alternative sentence, or community service.</p>

Revisions to the Guidelines and Standards for Cost Recovery and Collections Reporting Template

All comments are verbatim unless indicated by an asterisk (*).

	Commentator	Position	Comment	Committee Response
			<p>listed twice in your receivables; this in and of itself will be difficult to track. To make things more complicated, as payments are made on this case, you will need to track when the original base amount is paid in full, which will allow you to reduce your receivables by one case; but you still will need to track the civil assessment. Then, once the civil assessment is paid, you can subtract the second case from your receivables. To add further to the complications this definition will create, if a civil assessment is added to a case (thereby increasing your receivables by one) and then is subsequently waived, you will need to decrease your receivables by one. As you can see, this change will create a tremendous amount of tracking that is not now required. This level of tracking is simply not available with current system capacity. There is no way to follow and keep track of this kind of activity; it just isn't feasible. Under current practices, when a civil assessment is added to an existing case, the case is already included in an agency's receivables and the addition of the civil assessment is listed as an increase adjustment. If that civil assessment is subsequently waived, the waiver of the civil assessment is listed as a decrease adjustment. There is no impact to the number</p>	

Revisions to the Guidelines and Standards for Cost Recovery and Collections Reporting Template

All comments are verbatim unless indicated by an asterisk (*).

	Commentator	Position	Comment	Committee Response
			<p>of cases in inventory (which is appropriate); however, the total dollars outstanding are appropriately updated. This provides for accurate tracking of one’s receivables and still accurately reports the imposition/waiver of civil assessments. This existing process is fairly easy to track and most systems are able to account for these changes under current guidelines. Therefore, we request that civil assessments continue to be treated simply as an “adjustment” to an existing case, not a new referral.</p> <p>Regarding the revisions to the Cost Recovery Guidelines and Standards, below is our one area of concern:</p> <p>Under “Distribution of Revenues”, there is a change regarding the carrying forward of unrecovered costs. Currently, if an agency does not have sufficient revenues to offset eligible monthly operating costs, the agency may carry the unrecovered costs forward until eligible revenues are available to fully recover those eligible costs. The proposed change states that these unrecovered costs may only be carried forward within the same fiscal year. While there is no disagreement that there should be some limit as to how long these costs may be</p>	<p>Agree. The Guidelines and Standards for Cost Recovery have been changed to clarify when the carryover of operating costs is allowed.</p>

Revisions to the Guidelines and Standards for Cost Recovery and Collections Reporting Template

All comments are verbatim unless indicated by an asterisk (*).

	Commentator	Position	Comment	Committee Response
			<p>carried forward, under the current recommendation, if an agency had a situation arise in May or June, they would have little to no chance of recovering their costs. For example, if a new collection program started late in the fiscal year, they would need time to recover their startup costs as we all know that it takes time for a new program to increase revenues to the point where it covers monthly operating costs, let alone cover startup costs. However, if they only had until the end of the fiscal year, this new program would not have the opportunity to recover their costs. The end of the fiscal year seems a bit arbitrary and, while we should impose some limitations on the time it takes to recover costs, perhaps a more appropriate control would be to set a limit on the number of months an agency may take to recover costs. We therefore recommend that the time that one may carry forward unrecovered costs be changed from the end of the fiscal year to a period not to exceed 12 months from the initial incident.</p>	
8.	Orange County Superior Court	AM	<p>The Superior Court of Orange County submitted an e-mail and a letter providing recommendations to revise the metrics used to measure Gross Recovery Rate and Success Rate. A teleconference was held with the CEO</p>	<p>The recommendations related to the collections metrics are being analyzed and will be presented to the courts' Chief Financial Officers Roundtable and the Informal Collections Working Group for consideration. Resulting changes will be presented</p>

Revisions to the Guidelines and Standards for Cost Recovery and Collections Reporting Template

All comments are verbatim unless indicated by an asterisk (*).

	Commentator	Position	Comment	Committee Response
			and CFO to discuss their recommendations. The court agreed with the AOC's recommendation to present the issue to the Informal Collections Group and then survey all 58 courts and counties to determine their reporting capabilities.	to the Judicial Council for approval.