

Collections Best Practices

Penal Code section 1463.010 as amended by Assembly Bill 367 (Stats. 2007, ch.132) requires the Judicial Council to report the extent to which each court or county is following best practices for its collection program.

The collection programs are encouraged to use the following best practices. Additional information regarding best practices, including guidelines and standards, can be obtained on Serranus: <http://serranus.courtinfo.ca.gov/programs/collections/cpa.htm>; the external collections Web site: <http://www2.courtinfo.ca.gov/collections>; or by contacting staff of the Enhanced Collections Unit at collections@jud.ca.gov.

1. Develop a plan and put the plan in a written memorandum of understanding (MOU) that implements or enhances a program in which the court and county collaborate to collect court-ordered debt and other monies owed to a court under a court order.
2. Establish and maintain a cooperative superior court and county collection committee responsible for compliance, reporting, and internal enhancements of the joint collection program.
3. Meet at least 10 of the 17 components of a comprehensive collection program in order that the costs of operating the program can be recovered under Penal Code section 1463.007.
4. Complete all data components in the Collections Reporting Template.
5. Reconcile amounts placed in collection to the supporting case management systems.
6. Retain the joint court/county collection reports and supporting documents for at least three years.
7. Participate in both the Franchise Tax Board Court-Ordered Debt collection program and the Franchise Tax Board Interagency Intercept program.
8. Take appropriate steps to collect court-ordered debt locally before referring it to the Franchise Tax Board for collection.
9. Establish a process for handling the discharge of accountability for uncollectible court-ordered debt.
10. Participate in any program that authorizes the Department of Motor Vehicles to suspend or refuse to renew driver's licenses for licensees with unpaid fees, fines, or penalties.
11. Conduct trials by written declaration under Vehicle Code section 40903 and, as appropriate in the context of such trials, impose a civil assessment.

12. Follow the *Criteria for a Successful Civil Assessment Program* if the court has implemented such a program.
13. Develop a process for the collection of unpaid attorney sanctions.
14. Evaluate the effectiveness and efficiency of external collection agencies or companies to which court-ordered debt is referred for collection.
15. Accept payments via credit and debit card.
16. Accept payments via the Internet.
17. Include in a collection program all court-ordered debt and monies owed to the court under a court order.
18. Include financial screening to assess the ability to pay prior to processing installment payment plans and account receivables.
19. Charge fees as authorized by Penal Code section 1205(d).
20. Charge fees as authorized by Penal Code section 1202.4(l).
21. Use restitution rebate, as appropriate, to further efforts for the collection of funds owed to the Restitution Fund as authorized by Government Code section 13963(f).
22. Participate in the statewide master agreement for collection services or renegotiate existing contracts to ensure appropriate levels of services are provided at an economical cost, when feasible.
23. Request mediation services from the AOC and California State Association of Counties if the court and county are unable to agree on a cooperative collection program.
24. Require private vendors to remit the gross amount collected to the court or county, as agreed.
25. Require private vendors to submit invoices for commission fees to court or county on a monthly basis.
26. Use collection terminology (as defined in the glossary, instructions, or other documents approved for use by courts and counties) for the development or enhancement of a collection program.
27. Require private vendors to complete the components of the Collections Reporting Template that corresponds to its collection program.

Collections Performance Measures and Benchmarks

Performance Measure	Definition	Formula	Benchmark
Gross Recovery Rate (GRR)	Measures a collection program's ability to resolve delinquent court-ordered debt, including alternative sentences, community service, and suspended sentences.	Delinquent collections for the fiscal year + Adjustments / Referrals	34%
Success Rate (SR)	Measures the amount of revenue collected on delinquent court-ordered debt based on total delinquent accounts referred after adjustments, including NSF checks.	Delinquent collections for the fiscal year / Referrals - Adjustments	31%

The performance measures and benchmarks recommended above are based on results from the 2008 Gartner project and data submitted in FY 2004–2005 and FY 2005–2006 by collection programs in their reporting templates.

It is estimated that 80 percent of statewide collection programs are currently meeting or exceeding the percentages identified above. The proposed benchmarks represent a minimum standard of performance that should be achievable by all collection programs in the next fiscal year.

The Gross Recovery Rate and Success Rate use a formula that is standard in the collection industry.