Using Revenue Officer Goals to Boost Collections while Ensuring Taxpayer Rights

FTA Annual Meeting
San Antonio, Texas
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Presenters

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Mission Statement

The goal of the Collection Division of the North Carolina Department of Revenue is to administer the tax laws and improve compliance by collecting delinquent taxes due the State in an impartial, uniform, and efficient manner.
To achieve this goal, we will:

- Actively pursue collection of delinquent taxes owed the State;
- Maintain fraud awareness and actively enforce the criminal provisions of the Revenue Laws;
- Conduct operations in the most efficient, effective and uniform manner in order to attain the highest degree of compliance with tax laws and regulations;
- Provide timely and effective customer service, assistance, advise, and information on tax matters to individuals, businesses, and governmental entities;
- Maintain the highest degree of integrity and public trust.

Operational Values

- Mission
- Expectations
- Accountability
- Clear performance measures
**New Field Office Structure**

**Service Centers (Exams, Collections, Taxpayer Asst.)**

<table>
<thead>
<tr>
<th>City</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asheville</td>
<td>Charlotte</td>
</tr>
<tr>
<td>Elizabeth City</td>
<td>Fayetteville</td>
</tr>
<tr>
<td>Greensboro</td>
<td>Greenville</td>
</tr>
<tr>
<td>Hickory</td>
<td>Raleigh</td>
</tr>
<tr>
<td>Rocky Mount</td>
<td>Wilmington</td>
</tr>
<tr>
<td>Winston Salem</td>
<td></td>
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</tbody>
</table>

**Collection Offices**

<table>
<thead>
<tr>
<th>City</th>
<th>City</th>
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</thead>
<tbody>
<tr>
<td>Durham</td>
<td>Jacksonville</td>
</tr>
<tr>
<td>Lumberton</td>
<td></td>
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</tbody>
</table>

**New Call Center - TACC**

**Collection Goals**
- Beginning of collection process
- Discontinue outsourcing
- Reduce cost of collection
- Increase collected dollars
- Manage growing caseloads more effectively

**Taxpayer Assistance Goals**
- Increase number of incoming calls handled by agents by at least 25%
- Reduce busy signals
- 24x7 access to services via telephone or Internet
**TACC Integration**

- Fully implemented 2-1-04
- New case flows
- Telephone numbers
- Continuous improvement

**Central Collection Unit**

- Level 2 support for TACC Call Center
- Support Automated Wage Garnishment Interface
- Forced Collections for low and medium dollar accounts
- Manual Levy processing: wage, bank, accounts receivables garnishments
Taxpayer-level
Open Status
Case Flow

Revenue Sources - Calendar Year, 2004

- CCU/Interface/Unassigned: 37%
- Other: 9%
- Revenue Officers: 44%
- TACC: 10%

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Officers</td>
<td>$163,545,636.00</td>
</tr>
<tr>
<td>CCU/Interface/Unassigned</td>
<td>$137,109,207.77</td>
</tr>
<tr>
<td>TACC</td>
<td>$37,758,470.99</td>
</tr>
<tr>
<td>Other</td>
<td>$34,879,463.25</td>
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</tbody>
</table>

Total Revenue: $414,088,252.06
Existing Technology Enhancements

- **New payment methods**
  - E-file and pay
  - Credit card, debit card, ACH debits
- **Installment payment plans**
  - Automated payment agreements with reminder notices
  - Automated payments through bank drafts or credit card authorizations

FOR MORE INFO...

Look at the General Accounting Office’s Report on Installment Payment Agreements issued to Congress in 2001. Also check out the California Franchise Tax Board’s Web Site.

Goal Setting Objectives

- Focus Revenue Officer attention on cases with greatest revenue generation potential
- Increase accountability
- Improve morale over time
Goal Setting

- Monthly goals established for each officer as a part of annual work-planning
- RO goals set by local manager and regional assistant director
- Goal amount is based on office inventory

Data Sources

- Collection data is from ITAS (Accenture TAS system) is downloaded into an MS Access database
- Non-ITAS collections are submitted by officers to the Division HQ and are manually keyed into the Access database
- Reports are generated monthly – Posted to intranet site
Tax Compliance | Collection

Hot Topics
- Payment Agreement Overview
- Training Schedule
- Employees of the Quarter Honored
- New Challenge From Our New Director
- Spring 2005 Managers' Meeting
- Collection Division 2005 Strategic Plan

Tools
- Computer Applications
- Internet Research Links
- Manuals
- Policies & Procedures
- EO Level I & II Training Resources
- Technical Bulletins
- View Reports

Miscellaneous
- Odd Chart
- Domesticate Foreign Lien
- Employee Performance Forms
- ROAC

Notable Quotables
- "Self knowledge is the beginning of self-improvement."
  - Spanish Proverb
- "Fact is the knock of making a point without making an enemy."
  - Isaac Newton

This is Your Internet. Click here to let us know what you think.

Collection | Reports

2005
- Monthly Reports
  - Jan  Feb  Mar  Apr  May  Jun  Jul  Aug  Sep  Oct  Nov  Dec

Other Reports
- Currently None Published

2004
- Monthly Reports
  - Dec
### Employee Collections Vs. Goals and Inventory Statistics

<table>
<thead>
<tr>
<th>Western District</th>
<th>Central District</th>
<th>Eastern District</th>
<th>Management Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

#### ITAN Accounts Receivable Analysis Reports

- [Aged Report Based on Asset Value](#)
- [Aged Report Based on Asset Standards](#)
Performance Excellence Plan

Key Responsibility Expectation

★ Case Management: Work assigned cases according to departmental policy. Use all collection tools available. Follow Notes Policy and continuously improve on civil and criminal collection procedures and investigatory skills. Meet annual collection goals. Meet collection goals at least 6 months during cycle.

★ Track and evaluate results from Collection Division databases to ensure all collection tools are being used effectively. Monthly Supervisor/Team Leader meetings to receive feedback and evaluate results.

NC General Statute 105-260

★ § 105_260. Evaluation of Department personnel.
The Secretary may not use records of tax enforcement results, or production goals based on these records, as the sole criteria in evaluating employees of the Department who are directly involved in tax collection activities or in evaluating the immediate supervisors of these employees. The Secretary must consider records of taxpayer complaints that named an employee as discourteous, unresponsive, or incompetent in evaluating the employee. (1939, c. 156, s. 929; 1973, c. 476, s. 193; 1981, c. 859, s. 79; c. 1127, s. 53; 1993, c. 532, s. 8.)
**Project Collect Tax Collections Summary from July 2001**

<table>
<thead>
<tr>
<th></th>
<th>01 - 02</th>
<th>02 - 03</th>
<th>03 - 04</th>
<th>04 - 05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul</td>
<td>$(2,644,924)$</td>
<td>$(4,728,761)$</td>
<td>$(16,788,158)$</td>
<td>$(16,326,395)$</td>
</tr>
<tr>
<td>Aug</td>
<td>$19,816,715$</td>
<td>$7,689,238$</td>
<td>$26,717,026$</td>
<td>$9,861,392$</td>
</tr>
<tr>
<td>Sep</td>
<td>$525,357$</td>
<td>$4,647,066$</td>
<td>$7,484,238$</td>
<td>$20,288,607$</td>
</tr>
<tr>
<td>Oct</td>
<td>$9,182,503$</td>
<td>$10,302,341$</td>
<td>$12,462,194$</td>
<td>$24,208,380$</td>
</tr>
<tr>
<td>Nov</td>
<td>$4,340,350$</td>
<td>$6,621,876$</td>
<td>$14,216,677$</td>
<td>$13,277,611$</td>
</tr>
<tr>
<td>Dec</td>
<td>$745,830$</td>
<td>$3,672,130$</td>
<td>$9,700,816$</td>
<td>$18,861,350$</td>
</tr>
<tr>
<td>Jan</td>
<td>$7,223,884$</td>
<td>$9,494,162$</td>
<td>$10,287,526$</td>
<td>$13,133,324$</td>
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<tr>
<td>Feb</td>
<td>$5,182,585$</td>
<td>$9,778,800$</td>
<td>$14,959,737$</td>
<td>$11,730,349$</td>
</tr>
<tr>
<td>Mar</td>
<td>$16,737,780$</td>
<td>$7,959,732$</td>
<td>$16,170,905$</td>
<td>$37,861,766$</td>
</tr>
<tr>
<td>Apr</td>
<td>$6,934,539$</td>
<td>$20,210,885$</td>
<td>$25,532,393$</td>
<td>$27,247,787$</td>
</tr>
<tr>
<td>May</td>
<td>$1,094,269$</td>
<td>$17,029,224$</td>
<td>$17,000,807$</td>
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<tr>
<td>Jun</td>
<td>$2,206,642$</td>
<td>$9,045,055$</td>
<td>$16,196,333$</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$76,334,030</strong></td>
<td><strong>$111,178,870</strong></td>
<td><strong>$189,515,812</strong></td>
<td><strong>$192,597,103</strong></td>
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Total Delinquent Collections

Total Collections from July 2001

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>$ 248,392,101</th>
<th>$ 282,620,429</th>
<th>$ 373,092,778</th>
<th>$ 340,479,105</th>
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<tbody>
<tr>
<td>Jul</td>
<td>$10,240,457.00</td>
<td>$17,614,144.00</td>
<td>$26,673,541.00</td>
<td>$29,211,778.00</td>
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<tr>
<td>Aug</td>
<td>$31,665,732.00</td>
<td>$19,538,256.00</td>
<td>$38,566,043.00</td>
<td>$21,710,410.00</td>
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<tr>
<td>Sep</td>
<td>$12,086,011.00</td>
<td>$16,207,721.00</td>
<td>$20,210,149.00</td>
<td>$31,649,282.00</td>
<td></td>
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<tr>
<td>Oct</td>
<td>$22,409,277.00</td>
<td>$22,912,599.00</td>
<td>$26,236,595.00</td>
<td>$17,435,154.00</td>
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<tr>
<td>Nov</td>
<td>$15,572,327.00</td>
<td>$17,853,853.00</td>
<td>$26,090,063.00</td>
<td>$24,509,588.00</td>
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<tr>
<td>Dec</td>
<td>$14,630,768.00</td>
<td>$17,557,368.00</td>
<td>$24,098,677.00</td>
<td>$32,746,588.00</td>
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<tr>
<td>Jan</td>
<td>$21,672,828.00</td>
<td>$23,943,306.00</td>
<td>$25,859,047.00</td>
<td>$27,582,468.00</td>
<td></td>
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<tr>
<td>Feb</td>
<td>$21,971,519.00</td>
<td>$26,567,534.00</td>
<td>$34,451,008.00</td>
<td>$28,519,425.00</td>
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<tr>
<td>Mar</td>
<td>$38,961,232.00</td>
<td>$28,183,184.00</td>
<td>$41,145,560.00</td>
<td>$65,832,537.00</td>
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<tr>
<td>Apr</td>
<td>$20,788,847.00</td>
<td>$34,044,793.00</td>
<td>$42,224,193.00</td>
<td>$41,081,895.00</td>
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<tr>
<td>May</td>
<td>$22,108,020.00</td>
<td>$33,052,975.00</td>
<td>$33,024,358.00</td>
<td>$32,746,588.00</td>
<td></td>
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<tr>
<td>Jun</td>
<td>$18,305,283.00</td>
<td>$25,144,896.00</td>
<td>$31,513,544.00</td>
<td>$27,582,468.00</td>
<td></td>
</tr>
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</table>

Number of ROs

Number of ROs from July 2001 to June 2005

Months:
- Jul-01
- Aug-01
- Sep-01
- Oct-01
- Nov-01
- Dec-01
- Jan-02
- Feb-02
- Mar-02
- Apr-02
- May-02
- Jun-02
- Jul-02
- Aug-02
- Sep-02
- Oct-02
- Nov-02
- Dec-02
- Jan-03
- Feb-03
- Mar-03
- Apr-03
- May-03
- Jun-03
- Jul-03
- Aug-03
- Sep-03
- Oct-03
- Nov-03
- Dec-03
- Jan-04
- Feb-04
- Mar-04
- Apr-04
- May-04
- Jun-04
- Jul-04
- Aug-04
- Sep-04
- Oct-04
- Nov-04
- Dec-04
- Jan-05
- Feb-05
New plans

- Data Warehouse
  - Case scoring
  - New levy sources/ interfaces
- Wireless access
- New tax system

Conclusion

- Action plans developed to help accomplish Division’s mission
- Regular evaluation of projects and programs to promote effectiveness and efficiency
- Assign Right case to Right Resource and take the Right action at the Right Time
- We believe adherence to our Mission and Operational Values will continue to drive our success!!
Questions

Contact Information

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