



*Using Revenue Officer Goals to
Boost Collections while
Ensuring Taxpayer Rights*

FTA Annual Meeting
San Antonio, Texas
June 13, 2005



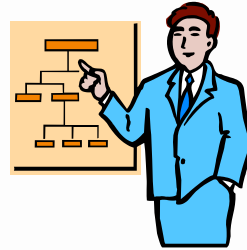
Presenters



- ✦ Alan Felton, Assistant Secretary
for Tax Compliance
 - ✦ Alan.Felton@dornc.com
- ✦ Charlie Helms, Director of
Collections
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- ✦ Collection Division Administration
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Agenda

- ✦ NC Tax Collection Overview
- ✦ Goal Setting
- ✦ Officer Evaluations
- ✦ Conclusion & Questions



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.)

Asheville	Charlotte
Elizabeth City	Fayetteville
Greensboro	Greenville
Hickory	Raleigh
Rocky Mount	Wilmington
Winston Salem	

Collection Offices

Durham	Jacksonville
Lumberton	

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

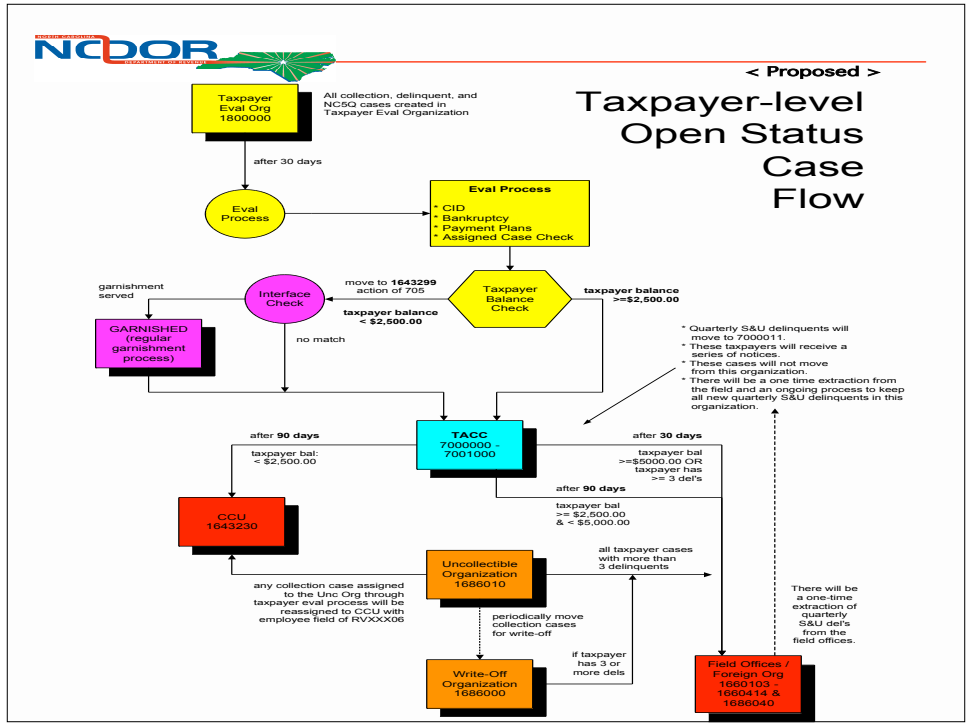
TACC Integration

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

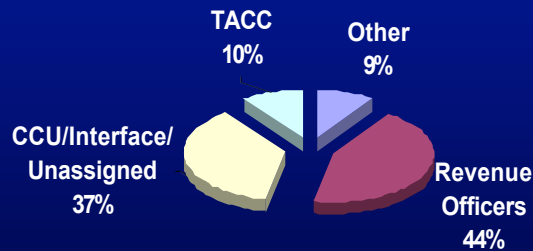
Central Collection Unit

- ✦ 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



Other	\$ 34,679,463.25
Revenue Officers	\$ 163,545,636.00
CCU/Interface/Unassigned	\$ 137,109,207.77
TACC	\$ 37,758,470.98

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

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Tax Compliance | Collection

Tax Compliance

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- [Motor Fuels](#)
- [USUB](#)



Hot Topics

- [Payment Agreement \(F502\) Training Schedule](#)
- [Employees of the Quarter Honored](#)
- [New Challenge From Our New Director](#)
- [Spring 2005 Managers' Meeting](#)
- [Collection Division 2005 Strategic Plan](#)



*This is **Your** Intranet. Click here to let us know what you think!*

Tools

- [Computer Applications](#)
- [Internet Research Links](#)
- [Manuals](#)
- [Policies & Procedures](#)
- [RO Level I & II Training Resources](#)
- [Technical Bulletins](#)
- [View Reports](#)

Miscellaneous

- [Org Chart](#)
- [Domesticating Foreign Liens](#)
- [Employee Performance Forms](#)
- [ROAC](#)

Notable Quotables

"Self knowledge is the beginning of self-improvement"

Spanish Proverb

"Tact is the knack of making a point without making an enemy."

Isaac Newton

[Archived Quotes](#)

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2005

Monthly Reports

[Jan](#) [Feb](#) [Mar](#) [Apr](#) [May](#) [Jun](#) [Jul](#) [Aug](#) [Sep](#) [Oct](#) [Nov](#) [Dec](#)

Other Reports

Currently None Published

2004

Monthly Reports

[Dec](#)

North Carolina DEPARTMENT OF REVENUE

Reports | April 2005

Employee Collections Vs. Goals and Inventory Statistics

Western District: [Andrews](#), [Asheboro](#), [Asheville](#), [Charlotte](#), [Franklin](#), [Gastonia](#), [Hickory](#), [Monroe](#), [Winston-Salem](#)

Central District: [Durham](#), [Greensboro](#), [Raleigh](#), [Reidsville](#)

Eastern District: [Elizabeth City](#), [Fayetteville](#), [Greenville](#), [Jacksonville](#), [Lumberton](#), [Rocky Mount](#), [Wilmington](#)

Management Reports: [Employee](#), [Office](#), [Inventory](#)

ITAS Accounts Receivable Analysis Reports

[Aging Report Based on Assessment Values](#)
[Aging Report Based on Assessment Numbers](#)

North Carolina Department of Revenue

Employee Collections Vs. Goals
4/1/2005 - 4/30/2005

Name	COLL Cases	DEL Cases	Daily Report	TotalColls	Goal	Difference	% of Goal
RO ANDREWS							
J C MASHBURN	53,526.12	43,369.26	9,203.00	106,098.38	50,000.00	56,098.38	212.197%
Office Totals	53,526.12	43,369.26	9,203.00	106,098.38	50,000.00	56,098.38	212.197%
RO ASHEBORO							
D L DARDEN	54,869.06	0.00	223.00	55,122.06	24,000.00	31,122.06	229.675%
G B ELLIS	100,403.13	13,671.69	22.00	114,096.72	68,500.00	45,596.72	166.565%
J S MACK	59,353.72	874,697.73	16,174.00	963,216.45	68,500.00	894,716.45	1301.555%
Office Totals	214,655.91	888,359.32	19,419.00	1,122,434.23	161,000.00	961,434.23	697.164%
RO ASHEVILLE							
A L BAILES	45,062.27	102,497.66	32,156.00	179,716.13	70,000.00	109,716.13	256.737%
P C FORREST	100,170.92	13,699.83	87,376.00	201,146.75	70,000.00	131,146.75	287.353%
A K FROST	322,656.51	0.00	118,227.00	441,183.51	100,000.00	341,183.51	441.194%
M R HANEY	0.00	0.00	0.00	0.00	0.00	0.00	0.000%
E P HENDERSON	44,130.23	22,059.06	28,651.00	94,840.29	30,000.00	64,840.29	318.134%
P J PANAVAS	38,451.54	70,024.67	2,036.00	108,515.21	10,000.00	98,515.21	1085.152%
L S ROHRBAUGH	45,085.93	3,194.84	63,370.00	111,640.77	10,000.00	101,640.77	1116.408%
R D TEAGUE	62,360.33	39,656.41	16,823.00	121,739.74	70,000.00	51,739.74	173.914%
Office Totals	656,217.73	250,922.67	351,642.00	1,258,782.40	360,000.00	898,782.40	349.662%
RO CHARLOTTE							
J M ADDINGTON	41,819.66	88,735.28	8,722.00	139,276.94	100,000.00	39,276.94	139.277%
A M ALEXANDER	24,776.62	0.00	0.00	24,776.62	45,000.00	(20,223.38)	55.050%

North Carolina Department of Revenue
Employee Inventory Statistics
4/1/2005 - 4/30/2005

RO ANDREWS Office Totals		Collection Inventory						IR24 Collections	
		Bag Inv	Cases Rec	Trans Out	Trans Out U/C	Cases Closed	End Case Inv		
Number:	83	57	(1)	0	(44)	96		IR24 Collections	53,526.12
Amount:	328,753.89	84,753.14	(2,399.96)	0.00	(43,609.75)	353,802.36		IR141 Collections	43,369.26
								Daily Rpt Colls	9,203.00
								Total	106,098.38
								Goal	50,000.00
								Difference	56,098.38
								% of Goal	212.197%

RO ASHEBORO Office Totals		Collection Inventory						IR24 Collections	
		Bag Inv	Cases Rec	Trans Out	Trans Out U/C	Cases Closed	End Case Inv		
Number:	1,038	244	(22)	0	(110)	1,166		IR24 Collections	214,655.91
Amount:	5,470,000.29	745,805.59	(39,503.26)	0.00	(260,681.20)	5,820,197.69		IR141 Collections	888,359.32
								Daily Rpt Colls	19,419.00
								Total	1,122,434.23
								Goal	161,000.00
								Difference	961,434.23
								% of Goal	697.164%

RO ASHEVILLE Office Totals		Collection Inventory						IR24 Collections	
		Bag Inv	Cases Rec	Trans Out	Trans Out U/C	Cases Closed	End Case Inv		
Number:	3,285	3,570	(1,547)	0	(667)	4,661		IR24 Collections	656,217.73
Amount:	16,767,626.53	14,461,853.36	(6,596,334.55)	0.00	(1,253,657.63)	23,239,859.26		IR141 Collections	250,922.67
								Daily Rpt Colls	351,642.00
								Total	1,258,782.40

North Carolina Department of Revenue
Employee Collections Vs. Goals
1/1/2004 - 12/31/2004

Name	COLL Cases	DEL Cases	Daily Report	Total Colls	Goal	Difference	% of Goal
BANKRUPTCY UNIT	41,271.91	0.00	7,197,150.99	7,238,422.90	2,099,544.80	5,138,878.10	344.762%
RO ANDREWS	1,930,536.94	1,176,621.25	58,345.90	3,165,504.09	600,000.00	2,565,504.09	527.584%
RO ASHEBORO	3,645,879.01	3,411,798.99	205,918.44	7,263,596.44	1,768,000.00	5,495,596.44	410.837%
RO ASHEVILLE	9,440,735.09	4,878,683.36	2,518,299.71	16,837,718.16	4,174,000.00	12,663,718.16	403.395%
RO CHARLOTTE	16,931,795.08	14,603,328.55	2,492,546.80	34,027,670.43	14,790,000.00	19,237,670.43	230.072%
RO DURHAM	4,102,688.97	2,669,398.82	596,302.85	7,368,390.64	4,215,532.41	3,152,858.23	174.791%
RO ELIZABETH CITY	3,583,766.50	1,597,552.99	722,539.42	5,903,858.91	3,059,500.00	2,844,358.91	192.968%
RO FAYETTEVILLE	7,538,680.72	13,737,663.99	2,941,946.06	24,218,290.77	7,040,000.00	17,178,290.77	344.010%
RO FRANKLIN	552,427.34	481,756.10	126,576.41	1,160,759.85	710,000.00	450,759.85	163.487%
RO GASTONIA	2,477,610.65	2,447,728.49	370,698.38	5,296,037.52	2,828,000.00	2,468,037.52	187.271%
RO GREENSBORO	8,245,199.73	4,945,109.16	5,420,903.71	18,611,212.60	7,377,500.00	11,233,712.60	252.270%
RO GREENVILLE	10,042,256.09	23,291,852.62	1,562,092.59	34,896,201.30	4,554,091.60	30,342,109.70	766.260%
RO HICKORY	7,164,387.03	8,892,764.60	2,022,179.21	18,079,330.84	7,680,000.00	10,399,330.84	235.408%
RO JACKSONVILLE	1,867,695.94	1,788,430.42	823,401.14	4,279,527.50	2,448,000.00	1,831,527.50	174.817%
RO LUMBERTON	1,465,281.85	2,537,884.95	502,255.33	4,505,422.13	1,284,000.00	3,221,422.13	350.890%
RO MONROE	2,064,637.64	595,265.10	485,116.87	3,145,019.61	1,620,000.00	1,525,019.61	194.137%
RO RALEIGH	10,646,699.43	6,089,877.03	2,647,537.40	19,384,113.86	9,020,000.00	10,364,113.86	214.901%
RO REIDSVILLE	1,453,859.84	4,363,263.55	2,761,130.69	8,578,254.08	1,660,000.00	6,918,254.08	516.762%
RO ROCKY MOUNT	3,228,764.42	804,741.78	708,250.79	4,742,756.99	2,902,228.00	1,840,528.99	163.418%
RO WILMINGTON	3,650,589.81	1,815,347.67	2,708,405.42	8,174,342.90	5,720,000.00	2,454,342.90	142.908%
RO WINSTON SALE	7,514,009.25	9,519,619.71	1,945,971.83	18,979,600.79	6,760,000.00	12,219,600.79	280.763%
Report Totals	\$107,388,773.24	\$109,648,688.13	\$38,818,569.94	\$255,856,032.31	\$92,310,396.81	\$163,545,635.50	277.169%

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.

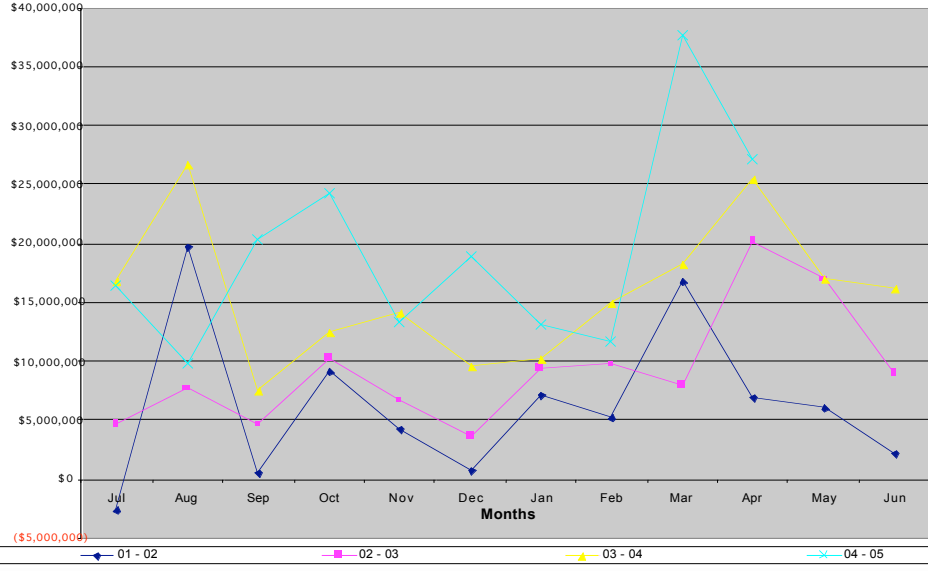
NC General Statute 105-260

- ⊕ **§ 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. 158, s. 929; 1973, c. 476, s. 193; 1981, c. 859, s. 79; c. 1127, s. 53; 1993, c. 532, s. 8.)



PCT Collections by Fiscal Year



Project Collect Collections

**Project Collect Tax Collections Summary
from July 2001**

	01 - 02	02 - 03	03 - 04	04 - 05
Jul	\$ (2,644,924)	\$ 4,728,761	\$ 16,788,158	\$ 16,326,395
Aug	\$ 19,816,715	\$ 7,689,238	\$ 26,717,026	\$ 9,861,392
Sep	\$ 525,357	\$ 4,647,066	\$ 7,484,238	\$ 20,288,607
Oct	\$ 9,182,503	\$ 10,302,341	\$ 12,462,194	\$ 24,208,380
Nov	\$ 4,340,350	\$ 6,621,876	\$ 14,216,677	\$ 13,277,611
Dec	\$ 745,530	\$ 3,672,130	\$ 9,700,616	\$ 18,861,350
Jan	\$ 7,223,684	\$ 9,494,162	\$ 10,287,528	\$ 13,133,324
Feb	\$ 5,182,585	\$ 9,778,600	\$ 14,959,137	\$ 11,730,491
Mar	\$ 16,737,780	\$ 7,959,732	\$ 18,170,905	\$ 37,661,766
Apr	\$ 6,934,539	\$ 20,210,685	\$ 25,532,393	\$ 27,247,787
May	\$ 6,084,269	\$ 17,029,224	\$ 17,000,607	
Jun	\$ 2,205,642	\$ 9,045,055	\$ 16,196,333	
Total	\$ 76,334,030	\$ 111,178,870	\$ 189,515,812	\$ 192,597,103

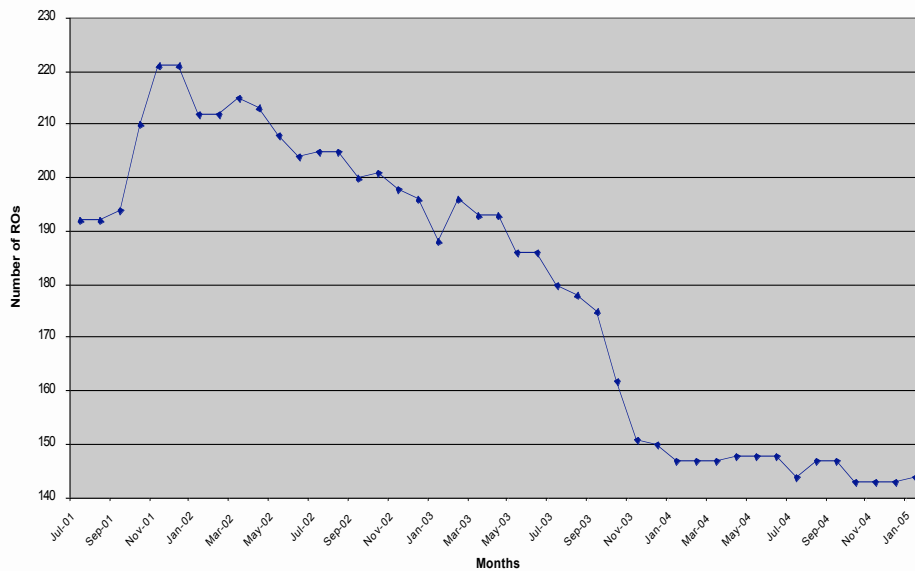


Total Delinquent Collections

Total Collections from July 2001					
Total	\$	1,244,584,413			
		\$ 248,392,101	\$ 282,620,429	\$ 373,092,778	
		\$ 340,479,105			
		2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005
Jul	\$	10,240,457.00	17,614,144.00	29,673,541.00	29,211,778.00
Aug	\$	31,665,732.00	19,538,256.00	38,566,043.00	21,710,410.00
Sep	\$	12,086,011.00	16,207,721.00	20,210,149.00	31,849,262.00
Oct	\$	22,409,277.00	22,912,599.00	26,236,595.00	37,435,154.00
Nov	\$	15,572,327.00	17,853,853.00	26,090,063.00	24,509,588.00
Dec	\$	14,630,768.00	17,557,368.00	24,098,677.00	32,746,588.00
Jan	\$	21,672,828.00	23,943,306.00	25,859,047.00	27,582,468.00
Feb	\$	21,971,519.00	26,567,534.00	34,451,008.00	28,519,425.00
Mar	\$	36,961,232.00	28,183,184.00	41,145,560.00	65,832,537.00
Apr	\$	20,768,647.00	34,044,793.00	42,224,193.00	41,081,895.00
May	\$	22,108,020.00	33,052,975.00	33,024,358.00	
Jun	\$	18,305,283.00	25,144,696.00	31,513,544.00	



Number of ROs



New plans



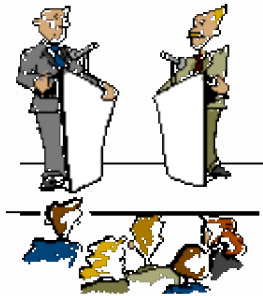
- ⊕ Data Warehouse
 - ▣ Case scoring
 - ▣ New levy sources/ interfaces
- ⊕ Wireless access
- ⊕ New tax system

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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