Revenue Distribution Training
An Overview of FTB’s Non Tax Debt Collection Programs

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Carrie Deterding, Court-Ordered Debt Program
Denise Azimi, Interagency Intercept Collection Program
Court-Ordered Debt (COD)

Program Overview
FTB Program Basics

• Background
• Program Eligibility/Enrollment
• How the Program Works
• How Much It Costs You
• Program Statistics
• On-Line Services
• Case Highlight
• Program Support
In 1994, the State Legislature authorized the FTB to collect delinquent court-ordered debt as a pilot program.

In 2004, the Legislature made the program permanent and expanded it statewide. (California Revenue and Taxation Code Sections 19280–19282).

Funding is provided by the participating courts and agencies. These costs cannot exceed 15 percent of the amount FTB-COD collects (RTC Section 19280) on behalf of their clients.
FTB Court-Ordered Debt

Program Eligibility and Enrollment

Eligibility

• State Agencies:
  o Any type of Restitution Orders and fines imposed by juvenile or superior court of the State of California.

• Courts:
  o Any type of fines, state or local penalties, bail and forfeitures.
  o All offenses involving a violation of the Vehicle Code, and any amounts due pursuant to Section 903.1 of the Welfare and Institutions Code.

Enrollment

• Court-Ordered Debt Client Services
• Phone: 916.845.7503
• Email: CODClientServices@ftb.ca.gov
FTB Court-Ordered Debt Program

How the Program Works

• Our clients issue a series of delinquent notices.
• We validate the essential collection information: National Change of Address (NCOA), DMV, & Social Security Number (SSN) validation.
• We create an account for the case and begin the collection cycle:
  o Issue Demand Notice
  o After 45 days we send a wage garnishment or bank levy
  o If no payment received, we repeat the process
  o We keep the case up to 24 months
• We will return the case sooner if:
  o We are unable to locate a good address or SSN
  o Case is deemed uncollectable
  o Client withdraws the case
FTB Court-Ordered Debt

**MYCOD**
## FTB COD Program

### 2014-2015 Fiscal Year Collection Totals

<table>
<thead>
<tr>
<th>Case Inventory</th>
<th>Collection Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Inventory</td>
<td>Demand Notices</td>
</tr>
<tr>
<td>1,754,631</td>
<td>1,335,853</td>
</tr>
<tr>
<td>Accepted Cases</td>
<td>Installment Agreements</td>
</tr>
<tr>
<td>743,631</td>
<td>61,990</td>
</tr>
<tr>
<td>Withdrawn Cases</td>
<td>Bank Levies</td>
</tr>
<tr>
<td>56,371</td>
<td>167,325</td>
</tr>
<tr>
<td>Returned Cases</td>
<td>Wage Levies</td>
</tr>
<tr>
<td>690,494</td>
<td>1,184,621</td>
</tr>
<tr>
<td>Ending Inventory</td>
<td>Total Collection Activities</td>
</tr>
<tr>
<td>1,690,476</td>
<td>2,757,476</td>
</tr>
<tr>
<td><strong>Total Collected</strong></td>
<td><strong>$107,424,852</strong></td>
</tr>
</tbody>
</table>
FTB Court-Ordered Debt Program

Case Highlight

• In 2001, the debtor rented a motel room and set up a methamphetamine lab that caused more than $25,000 worth of damage to the motel.
• Since 2002, debtor’s payments totaled less than $3,000.
• In June 2015, we sent the debtor a Demand Notice.
• Debtor paid the entire balance.

14 years after the motel was badly damaged, they received full restitution and were made whole.
FTB Court-Ordered Debt Program

Program Support

FTB services and support
  • Answer questions regarding the COD Program

Court-Ordered Debt Client Services
  • Phone: 916.845.7503
  • Email: CODClientServices@ftb.ca.gov

Carrie Deterding, Program Manager
  • Phone: 916.845.5326
  • Email: Carrie.Deterding@ftb.ca.gov
Interagency Intercept Collection

Program Overview
FTB Intercept Program

Background

• Began in 1975 (Govt. Code Sections 12419.2-3, 12419.5, 12419.7-12).
• FTB redirects state:
  • Tax refunds
  • Lottery winnings
  • Unclaimed property disbursements
• FTB administers the Program on behalf of the State Controller’s Office.
• In Fiscal Year 2014/2015, the Intercept Program:
  • Redirected more than 850,000 refunds/winnings/funds
  • Collected more than $274 million
FTB Intercept Program

Program Eligibility

• State agencies:
  • Any type of debt such as delinquent vehicle registration, sales, and employment taxes.

• Counties and cities:
  • Property taxes, delinquent fines, bails, vehicle parking penalties, court-ordered payments, or other permitted debts.

• California colleges:
  • Delinquent registration, tuition, bad check fees, library fines, federally subsidized student loans, or other permitted debts.

• Special districts:
  • Water bills, waste disposal fees, and fire inspection fees.
FTB Intercept Program
How to Participate

Interagency Intercept Collection (IIC) Program
Yearly Time Line

Additional information
Weekly: Transaction Error Reports and Detail Payment Reports are produced and sent to agencies.
Monthly: FTB disburses payments to agencies through the State Controller.

Anytime during the year, agencies may update or correct agency contact information
(for example, name, address, phone, fax, etc.)
Anytime during the year, agencies can add, change, or delete account information.

**See FTB 2645, Interagency Intercept Collection Program Participation Guide, for more information.
FTB Intercept Program

How the Program Works

• Participating agencies submit debtor accounts via Secure Web Internet File Transfer.
• We flag accounts with an offset indicator.
• We reject debtor accounts that do not meet our criteria.
• Other considerations:
  • Debt type must qualify under program authority.
  • Pre-Intercept Notice mailed at least 30 days prior to submission.
  • Debt amount is at least $10.
FTB Intercept Program

How the Program Works

• FTB notifies you when offset occurs.
• FTB sends the debtor an Intercept Notice with:
  o Debtor’s account number with the agency.
  o Original payment amount.
  o Offset amount.
  o Remaining refund amount.
  o Agency’s public contact address and telephone number.
  o Government code authorizing the Intercept Program.
FTB Intercept Program

How Much It Costs You

• State Controllers Office charges a fee
  • Reimburse the administrative costs of the program.
  • Based on actual costs incurred.
  • Varies each year.
  • In 2015, the fee was approximately $2 per offset.

• Annual bill each April
  • You get billed only for each successful offset we collect during the previous calendar year.
FTB Intercept Program

Program Support

FTB services and support

• Answer client questions.
• Provide copies of missing reports.
• Reconcile weekly reports to monthly fund transfer.
• Register for Secure Web Internet File Transfer (SWIFT).

Phone: 916.845.5344
Fax: 916.843.2460
Email: iicgroup@ftb.ca.gov
### 2014-2015 Fiscal Year Collection Totals

<table>
<thead>
<tr>
<th>Case Inventory</th>
<th>Intercept Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIT Intercepts</td>
<td>849,487 PIT Intercept $260,992,315</td>
</tr>
<tr>
<td>Lottery Winnings</td>
<td>4,961 Lottery Winnings $3,863,568</td>
</tr>
<tr>
<td>Unclaimed Property</td>
<td>33,337 Unclaimed Property $8,459,127</td>
</tr>
<tr>
<td>BOE</td>
<td>431 BOE $436,923</td>
</tr>
<tr>
<td>EDD</td>
<td>188 EDD $590,678</td>
</tr>
<tr>
<td><strong>Total Intercepted</strong></td>
<td><strong>$274,342,611</strong></td>
</tr>
</tbody>
</table>
Case Highlight

IIC Program

- In January 2016, we intercepted $160,900 IIC from unclaimed property.
- The intercept was applied to an FTB account.
Non Tax Debt Collection Contact Information

Carrie Deterding, Program Manager Court-Ordered Debt
Phone: 916.845.5326

Denise Azimi, Program Manager Interagency Intercept Collection
Phone: 916.845.6896

Non Tax Debt Collection Program Mailbox
Nontaxdebtcollections@ftb.ca.gov
Questions