

**FINANCIAL CREDIT NETWORK (FCN) - MASTER AGREEMENT MA-2018-13  
FOR COLLECTIONS SERVICES FOR COURT-ORDERED AND OTHER DEBT  
MASTER AGREEMENT USER INSTRUCTIONS**

These User Instructions are provided for the Collections Services Master Agreement with FCN. The Judicial Council issued a Request for Proposal seeking vendors that could provide collections services to the judicial branch. Any judicial branch entity that wants to use the master agreement must enter into a Participating Agreement with the vendor. Please carefully review these User Instructions.

Judicial Council Staff Contact Information:  <b>Project Manager</b> Maria Lira JCC Project Manager maria.lira@jud.ca.gov (916) 263-7320  <b>Trial Courts</b> Marissa Smith Marissa.Smith @jud.ca.gov (916) 263-7949
Name of the Contractor(s) and contact person information:  <b>FINANCIAL CREDIT NETWORK (FCN)</b> Wendy Anderson Project Manager <a href="mailto:wanderson@fcnnetwork.com">wanderson@fcnnetwork.com</a> (800) 540-9011 X 1623
Services:  Collections Services for Court-Ordered and Other Debt.
Entities eligible to procure under the Master Agreement:  The California State Bar, the superior courts, Supreme Court, the Courts of Appeal, the 58 Counties of the State of California; and other governmental or regulatory entities identified for inclusion by the Judicial Council that enters into a Participating Agreement with Contractor
Contract Number:  <i>MA-2018-13</i>

**1. Process**

Any court that orders services under this Master Agreement must enter into a Participating Agreement. Appendix A, Section 1 discusses the ordering process.

## 2. Participating Agreement

Each Participating Agreement is a separate, independent contract between the Contractor and the entity entering into the Participating Agreement, subject to the following:

- (i) Each Participating Agreement is governed by the Master Agreement, and the terms of the Master Agreement are incorporated into each Participating Agreement;
- (ii) a Participating Agreement may not alter or conflict with the terms of the Master Agreement, or exceed the scope of the goods/services provided for in the Master Agreement; and
- (iii) the term of a Participating Agreement may not extend beyond the expiration date of the Agreement.
- (iv) Contractor shall notify the Judicial Council within five (5) business days of receipt of a Participating Agreement from a Participating Entity.
- (v) The Contractor shall promptly provide the Judicial Council with a fully-signed copy of each Participating Agreement between the Contractor and a Participating Entity.

## 3. Miscellaneous Information

- (i) A copy of the master agreement is available at <http://www.courts.ca.gov/procurementservices.htm>.
- (ii) Please contact Maria Lira if your court has issues or concerns that cannot be immediately or easily resolved.
- (iii) Courts will be notified when the options to extend are elected and/or when the master agreement is modified or amended. All amendments will be posted on the procurement website with the master agreement.

## 4. Contract Terms and Conditions

The court should review the entire contract and contact the Marissa Smith if there are any questions. Marissa can be reached at (916) 263-7949 or [Marissa.Smith@jud.ca.gov](mailto:Marissa.Smith@jud.ca.gov).

## 5. Compensation Provisions

Fees. Contractor will accept all accounts for collection referred by a Participating Entity on a contingency fee basis. Compensation will be in accordance with Appendix B, Attachment 1, Fee Schedule, or as otherwise specified in the Participating Agreement. For victim restitution, Contractor's

fee will be limited to the 15% administration fee allowed by statute and if authorized by a resolution by a County Board of Supervisors. Contractor will not be entitled to invoice a Participating Entity for this fee until the victim's restitution has been paid in full.

The following insert from Appendix A, Section 2 (Services) of the master agreement describes the services to be provided:

## 7. Description of Services.

Services. As ordered by each JBE under a Participating Agreement, Contractor shall perform the following services ("Services") for the JBEs.

### A. Required Account Services:

Contractor will be required to provide collection services for Accounts due and payable from members of the public to a Participating Entity, including but not limited to the following:

- a) fees, fines, forfeitures, penalties, and assessments arising from infractions, misdemeanor, felony, and traffic proceedings or actions;
- b) criminal justice related fees, reimbursements, and other legally enforceable debts;
- c) civil, family law, and juvenile law fees, including filing fees;
- d) probation, guardianship, conservatorships, and public defender fees;
- e) sanctions imposed by any Participating Entity;
- f) direct restitution to victim ordered pursuant to California Penal Code section 1202.4(a)1;
- g) victim restitution fines ordered pursuant to California Penal Code section 1202.4(b)1;
- h) reimbursements owed or as ordered by a court pursuant to California Family Code section 3150 et seq.;
- i) reimbursements owed to the California Supreme Court for overcharges for representation of indigent defendants in death penalty cases;
- j) fees, penalties, fines, or reimbursements owed to the California State Bar pursuant to California Rule of Court, rule 9.10(g), and California Business and Professions Code sections 6086.10(a) and 6140.5(a); and

k) any other legally enforceable debt owed to a Participating Entity or that a Participating Entity has a right to collect.

**B. In the collection of Accounts, Contractor will:**

- a) employ skip tracing and other standard collection techniques to locate debtors, including the capability to: (1) communicate in Spanish (or other languages, as needed), both orally and in written form; and (2) pursue debtors residing within the boundaries of the United States, including military bases and tribal lands;
- b) transfer funds electronically, and be able to receive Accounts on a daily basis, Monday through Friday, except days which are not business days for the relevant Participating Entity;
- c) provide various and multiple reports in an electronic or hardcopy format on a daily, weekly, and/or monthly basis, as requested by the Participating Entity;
- d) comply to the extent possible with the reporting requirements set forth in Penal Code section 1463.010 and Government Code section 68514, as required by the Judicial Council, and any future reporting requirements resulting from legislation or regulation;
- e) adjust the receivable record within two (2) business days of any information transferred by the Participating Entity;
- f) remit the entire gross amount of all receivables collected to the Participating Entity preferably in electronic format on a daily, weekly or monthly basis at the discretion of the Participating Entity, together with supporting documentation;
- g) ensure that all data it receives from, processes, or transmits to any Participating Entity is not stored, accessed from, or transmitted outside the United States;
- h) be responsible for all start-up and on-going operational costs, including all cost associated with the transfer of paper records to electronic data;
- i) provide computer terminals or dial-up or internet access for access to its system, and all necessary phones and related equipment, at its own cost and expense, including phone charges and supplies, and will provide all additional equipment necessary for the conduct of its business except that equipment specifically provided by the Participating Entity;
- j) provide fully functional on-line inquiry capability into its collection system to designated Participating Entity staff at any requested Participating Entity's location; and

- k) provide an annual case aging report, which may include but is not limited to, infraction cases older than 5 years and misdemeanor cases older than 10 years, or as specified by the Participating Entity. The Participating Entity may request a list of cases, but only the collecting entity can review these cases and determine eligibility for discharge under Government Code section 25257-25259.95. The Participating Entity may recall eligible cases from the Contractor or instruct Contractor to transfer select cases to the FTB-COD and/or FTB-IIC program for additional collection efforts.

**C. On-site Personnel (At Option of Participating Entity)**

At a Participating Entity's option, Contractor shall provide on-site staff at public counter areas to assist the public (e.g. accept payments, answer questions, set-up payment arrangements, etc.) during all hours the Participating Entity is open to the public, including night hours. The night hours for each Participating Entity will be specified in the Participating Agreement. Participating Entity shall be consulted prior to the addition, removal, or replacement of on-site personnel.

- a) Contractor shall provide sufficient on-site staff to ensure the waiting time for assistance averages no more than ten (10) minutes. If the Participating Entity determines that the waiting time is too lengthy, the Contractor shall provide additional staff and other resources necessary to bring the waiting time to a level acceptable by the Participating Entity.
- b) At a Participating Entity's option, Contractor shall provide sufficient bilingual staff (for example Spanish and other languages, as needed) to meet the waiting time requirement at each location during all hours the Participating Entity is open to the public, including night hours.
- c) Contractor shall have sufficient trained staff available locally to cover unexpected absences and staff emergencies.
- d) Contractor shall provide staff and equipment to Participating Entities as specified in the Participating Agreement, at the rates set forth in this Agreement or as otherwise provided in the Participating Agreement.
- e) Contractor shall provide staff and equipment to Participating Entities as specified in the Participating Agreement, at the rates set forth in this Agreement or as otherwise provided in the Participating Agreement.
- f) Contractor shall provide customer service levels that are in line with the Participating Entity's mission and expectations, and not those of consumer debt collectors.

**D. FTB-COD Transfer Services (At Option of Participating Entity)**

A Participating Entity may request Contractor to transfer any or all accounts, including accounts transferred to Contractor for collection, to the FTB-COD for further collection efforts in a format described by that Participating Entity. Upon such a referral to the FTB-COD, Contractor will cease all collection work on the account, but will remain responsible for canceling and adjusting all accounts, as appropriate and answering inquiries related to the FTB-COD from debtors. If a Participating Entity selects these optional services, the Contractor will be responsible for all programming costs associated with the identification, transfer, and separate reporting of accounts referred to the FTB-COD.

**E. Account Recall**

A Participating Entity may recall an Account transferred for collection, at its discretion or as agreed to on the Participating Agreement, without a charge or penalty imposed, if during the past six (6) months no payments have been received, no new payment has been agreed to by the debtor, and no adjustments have been made by the Court. Recall of other Accounts will be on the terms and conditions agreed by the parties in a Participating Agreement. Each Participating Entity shall prescribe the criteria and procedures for returning uncollected Accounts.

**F. Reporting Requirements**

- a) Contractor shall comply with the then-current reporting requirements set forth in Penal Code Section 1463.010 and Government Code section 68514, and any other applicable state law or regulation, and as specified by the Judicial Council.
- b) Unless otherwise set forth by a Participating Entity in its Participating Agreement, Contractor will provide the reports described in this Section 2.5 to each Participating Entity, in the form attached hereto as Appendix A, Attachment 1, and will agree to provide any additional reports required by the Participating Entity. At the Participating Entity's option, the reports may be electronically transferred or provided in hardcopy format.
- c) For Participating Entities who are courts, separate reports must be provided for each location with division reports for account reconciliation and court-wide summaries for court-wide analysis and strategic planning.
- d) Unless otherwise indicated, all information must be reported by category with subtotals per category and a grand total. Whenever debtors' names are displayed, they will be displayed by last name first.
- e) The Contractor will provide sample reports to the Participating Entity for approval prior to implementation and as changes are made during the term of the Participating Agreement.

**G. Account Payment History**

Contractor shall supply an account payment history for each Account on the Participating Entity's request. An account payment history shall include the following for all cases referred with specific bail and/or fine, and civil assessment:

- i. Debtor's name (sorted by last name) and case number;
- ii. The amount of bail and/or fine referred, the amount applied to the bail and/or fine and any balance remaining.
- iii. The amount of civil assessment added (separate from the bail and/or fine), the amount applied to the civil assessment and any balance remaining.
- iv. A chronological list of payments.

**H. Acknowledgment Report**

Upon request, Contractor will provide a complete list to the respective Participating Entity of all Accounts by account category each time a Participating Entity refers Accounts to it. The report will be provided within two business days following the date the Contractor can access the referrals, and will list as applicable: 1) debtor's name (sorted by last name); 2) case number; 3) appearance date or bail/fine due date; 4) amount of bail, fine, or debt referred; 5) total item count; and 6) total bail, fine, or debt amount referred.

**I. Daily Payment Transmittal Report**

Upon request, Contractor will provide the Participating Entity a daily payment information report, on the next business day, reflecting the prior day's payments. The daily payment transmittal report will include a listing of every account upon which a payment has been made, and for each such account, where applicable: 1) debtor's name (sorted by last name); 2) case number; 3) balance owed; 4) previous amount paid; 5) amount of current payment; 6) total paid; and 7) balance due. The daily payment transmittal report will also indicate how the current payment was distributed; e.g., amount applied to bail and/or fine, amount applied to civil assessment. The last line will be the total of all amounts in each column. The daily payment transmittal report will be sorted first by account category, then alphabetically, beginning with the debtor's last name.

**J. Agency Activity Report**

Within five (5) business days after the end of each calendar month, or unless otherwise agreed in writing, Contractor will provide the Participating Entity a summary of the activity performed by Contractor on the Participating Entity's Accounts. The information contained on the report may be used to measure performance goals and compliance with any performance standards established by the Participating Entity or as approved by the Judicial Council.

**K. Summary of Account Activity Report**

Within five (5) business days after the end of each calendar month, Contractor will provide the Participating Entity a summary of Account activity for that month. The report will display all information by group with subtotals for each group and a grand total.

**L. Collection Analysis Report**

Within five (5) business days after the end of each calendar month, or unless otherwise agreed in writing, Contractor will provide a summary of collections for the month and include referrals in numbers and dollar value, gross collections in dollars and percentages matched against the month the account was placed, non-cash adjustments and commission expense in dollars and percent, and Accounts remaining.

**J. Daily Adjustment Report**

Upon request, on the business day following the processing of any adjustment on any Account, Contractor will provide the Participating Entity with a daily report of each Account where an adjustment has been made to any previously applied payment or amount referred or owed. In addition, the report will summarize each day's adjustment reasons by category of "Cash" or "Non-Cash". Examples of adjustment reasons in each category are listed below (a Participating Entity may add other adjustment reasons or categories in the future).

- a. Cash-related adjustment reasons include:
  - Returned check
  - Misapplied payment
  - Overpayment
  
- b. Non-Cash-related Adjustment reasons include:
  - Referred in error by the Participating Entity;
  - Incorrect amount referred;
  - Payment collected by the Participating Entity
  - Reduced by lawful court order; e.g., suspension, dismissal, or reduction;
  - Increased by lawful court order; and
  - Assigned to public work Service, e.g., community service

The daily adjustment report will include the following information, as applicable: 1) Debtor's name (sorted by last name); 2) case number; 3) adjustment reason code (2 or 3 characters); 4) original bail, fine, or debt amount referred or owed; 5) new bail, fine, or debt amount owed; 6) type of change (increase or decrease); 7) original civil assessment owed; and 8) the new civil assessment owed. The report will contain an adjustment reason code legend.

**K. Account Status Report**

Within five (5) business days of the end of each calendar month, Contractor will provide each Participating Entity a complete listing of all such Participating Entity's Accounts, by



location, currently held by the Contractor. The report shall be on disc or other electronic media that does not require the Contractor or the Participating Entity to produce a hard copy report. The account status report will include, as applicable, 1) the debtor's name (sorted by last name); 2) case number; 3) referral; 4) beginning balance; 5) total payments and adjustments; and 6) the current balance.

**L. Uncollectible Accounts Report**

Upon request, within five (5) business days after the end of each calendar month, or unless otherwise agreed to in writing, Contractor will provide a summary of all Accounts deemed uncollectible for reasons including, but not limited to, bankruptcy, the Service members Civil Relief Act (SCRA- Protections against default judgments 50 U.S.C. § 3931), or deceased debtor. The Participating Entity will review the summary report to determine the proper course of action.

**M. Discharge from Accountability Report**

Upon request, provide annual case aging report, which may include but is not limited to, infraction cases older than 5 years and misdemeanor cases older than 10 years, or as specified by the Participating Entity, in the form attached hereto as Appendix A, Attachment 2. The Participating Entity may request a list of cases, but only the collecting entity can review these cases and determine eligibility for discharge under Government Code section 25257-25259.95.

**N. Other Reports to the Judicial Council**

On an annual basis, the superior courts of the State of California and the counties of the State of California are required by statute to complete and submit to the Judicial Council a Collections Reporting Template with aggregate referred and collected amounts. At no additional cost to the courts and counties, Contractor shall provide the required data to complete the Collections Reporting Template, to all the courts and counties to which Contractor is providing collection services under this Agreement, in the form attached hereto as Appendix A, Attachment 3.

Contractor shall notify the Judicial Council within ten (10) business days of entering into an agreement with a California Superior Court for collections services under this Agreement. The Contractor shall provide copies of the executed Participating Agreement or at minimum the contract execution date and commission rate(s).

Contractor shall notify the Judicial Council within ten (10) business days of any leadership position changes within the organization that occurs after the execution of this Agreement.

Contractor shall notify the Judicial Council within thirty (30) business days of lawsuits not disclosed in the proposal that occur after the execution of this Agreement.

## **8. Transition Services.**

A Participating Entity may request Contractor to transfer accounts to a new Contractor in a format described by that Participating Entity. The Participating Entity shall have the right to withhold Contractor's last payment until accounts have been transferred in a format acceptable to the Participating Entity. Upon expiration or termination of this Agreement or a Participating Agreement, Contractor will:

- a. destroy all hard copy account information of the affected Participating Entity;
- b. delete all electronic account information from its computer systems, including backup copies;
- c. send a letter to all Accounts notifying them that Contractor will no longer be handling the Account;
- d. continue to forward all payments sent to it by any Account to the Participating Entity. If payment is forwarded to the Participating Entity within 60 calendar days of expiration or termination of this Agreement or a Participating Agreement, the Participating Entity will pay Contractor the fee identified in the Agreement. If the Contractor forwards payment to the Participating Entity after 60 calendar days of expiration or termination of this Agreement or Participating Agreement, the Contractor will no longer be due, nor will the Participating Entity pay, a fee.

## **9. Miscellaneous Information**

- a. A copy of the master agreement is available at <http://www.courts.ca.gov/procurementservices.htm>.
- b. Please contact Maria Lira if your court has issues or concerns that cannot be immediately or easily resolved.
- c. Courts will be notified when the options to extend are elected and/or when the master agreement is modified or amended. All amendments will be posted on the procurement website with the master agreement.