

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
AGENCY PROGRAM COMMENTARY
2003 - 2005

The Arkansas State Board of Collection Agencies is responsible for licensing and monitoring collection agencies located within Arkansas and those located outside Arkansas who contact Arkansas debtors. The Board also licenses and regulates check cashing operations located in Arkansas. The operations of the Board are funded from the receipts of fees, penalties and fines imposed by the agency.

The budget request for the Arkansas State Board of Collection Agencies reflects \$11,858 above Base Level in FY04 and \$4,436 above Base Level in FY05. The Division of Check Cashing requests \$2,000 above Base Level in FY04 and FY05.

AGENCY Arkansas State Board of Collection Agencies	DIRECTOR  Peggy Matson	AGENCY PROGRAM COMMENTARY	PAGE 117
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DIVISION OF LEGISLATIVE AUDIT
AUDIT OF:
STATE BOARD OF COLLECTION AGENCIES
FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

Findings

None

Recommendations

None

SA0722100

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
 EMPLOYMENT SUMMARY

Required by: A.C.A. 19-4-307

AGENCY TITLE: 0221 STATE ED - COLLECTION AGENCIES

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	0	2	2	67%
BLACK EMPLOYEES	0	1	1	33%
EMPLOYEES OF OTHER RACIAL MINORITIES	0	0	0	0%
TOTAL EMPLOYED AS OF			1	33%
			TOTAL MINORITIES	
			3	100%
			TOTAL EMPLOYEES	

08/05/2002

DATE

Lizzy Matson

AGENCY DIRECTOR

**CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 2002**

AGENCY: State Board of Collection Agencies - 221

ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
310	\$502,409.00	Money Mkt.	Metropolitan Nat'l Bank	A.C.A 17-24-305 establishes that the agency can use funds collected to pay all expenses.
310	\$958,250.00	Checking	Metropolitan Nat'l Bank	
310	\$950,317.85	CD	Metropolitan Nat'l Bank	
Division of Collection Agencies - A56				STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: A.C.A. 17-24-103 & 105 authorizes the Board to collect licensing fees, fines and penalties.
				REVENUE RECEIPTS CYCLE: Fees, fines and penalties are collected throughout the year.
				FUND BALANCE UTILIZATION: Funds are collected throughout the year and used to in June. Renewal fees are due in June. New license fees, penalties and fines are collected throughout the year.
ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
385	\$214,217.00	Checking	Metropolitan Nat'l Bank	STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: A.C.A. 23-52-108 62-108, 109 authorizes the Board to collect licensing fees. A.C.A. 23-52-115, 116 authorizes the Board to impose fines and penalties.
Division of Check-cashing - B99				
				FUND BALANCE UTILIZATION: Funds are collected throughout the year and used for expenses. License relicense renewal fees are due in July. Audit fees are collected twice per fiscal year. New license fees, penalties and fines are collected throughout the year.

**ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
STATE AGENCY PUBLICATIONS**

**Fiscal Year 2002-2003
Required by: A.C.A. 25-1-204**

AGENCY: State Board of Collection Agencies

NAME OF PUBLICATION	STATUTORY AUTHORIZATION	PUBLICATION REQUIRED FOR GOVERNOR AND/OR GENERAL ASSEMBLY ONLY	NUMBER OF COPIES PUBLISHED	REASON(S) FOR CONTINUED PUBLICATION AND DISTRIBUTION
No Publications				

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Department Appropriation Summary

Agency Name STATE BOARD OF COLLECTION AGENCIES
 Agency Code 221

Code	Appropriation Name	2001-02		2002-03		Agency Request				Executive Recommendation			
		Actual		Budget	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
A56	Collection Operations	195,559		297,545	4	308,449	4	306,073	4	306,424	4	303,496	4
B99	Division of Check Cashing	92,953		142,039	2	139,130	2	141,045	2	137,130	2	139,045	2
Grand Total		288,512		439,584	6	447,579	6	447,118	6	443,554	6	442,541	6

Name	Funding Sources Code	2001-02		2002-03		2003-04		2004-05		2003-04		2004-05	
		Amount	% of Total										
Fund Balance	4000005	2,179,745	79.7	2,446,810	74.9	2,829,226	77.5	3,203,647	79.6	2,829,226	77.6	3,203,647	79.7
Cash Funds	4000045	555,577	20.3	822,000	25.1	822,000	22.5	822,000	20.4	818,055	22.4	817,585	20.3
Total Funding		2,735,322	100.0	3,268,810	100.0	3,651,226	100.0	4,025,647	100.0	3,647,281	100.0	4,021,232	100.0
Excess Appro/(Funding)		(2,446,810)		(2,829,226)		(3,203,647)		(3,578,529)		(3,203,727)		(3,578,691)	
Grand Total		288,512		439,584		447,579		447,118		443,554		442,541	

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
ANALYSIS OF BUDGET REQUEST
2003- 2005

The State Board of Collection Agencies is responsible for licensing and monitoring, revocation of licenses, investigation and prosecution of violations, enforcement of bonding requirements, setting and enforcing standards of ethical operations, and generally policing the activities of approximately eight-hundred collection agencies presently operating in Arkansas. The aspiration of the SBCA is to reduce undesirable collection activity, fraud, misrepresentation of client funds, and unprofessional conduct. It is funded with the receipts of license fees for collection agencies.

The Base Level request includes a 2.7% salary increase each year over the FY03 salary levels for all incumbents plus associated increases in Personal Services Matching. Included in Personal Services Matching is a \$33 per month increase in the monthly contribution for State employee's health insurance for a total state contribution of \$280 per month per budgeted employee. Salary and Matching of \$2,858 in FY04 and \$2,936 in FY05 for Fiscal/Administrative Manager to bring position in-line with duties and responsibilities. Travel and Conference Fees- \$1,500 each year to send employees to the annual meeting of North American Collection Agencies Regulatory Association. An increase of \$7,500 in Capital Outlay FY04 for replacement of computer, office equipment and office furniture.

The Executive Recommendation provides for increasing the Fiscal/Administrative Manager salary to \$33,828 in FY04 and \$34,284 in FY05, Base Level on Travel and Conference Fees and the Agency Request for Capital Outlay.

Expenditure of appropriation is contingent upon available funding.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF	PAGE
Name: State Board. Of Collection Agencies	Name: Collection Agencies-Cash	Name: Collection Agencies Board-Cash	BUDGET REQUEST	
Code: 221	Code: A56	Code: 310		123

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name STATE BOARD OF COLLECTION AGENCIES
 Agency Code 221
 Appropriation Name Collection Operations
 Appropriation Code A56
 Fund Name Collection Board-Cash
 Fund Code 310

Character		Expenditures				
		2001-02	2002-03		2002-03	
Name	Code	Actual	Budget	Pos.	Authorized	Pos.
Regular Salaries	5010000	124,081	154,597	4	154,597	4
Extra Help	5010001	4,388	5,000	1	5,000	1
Personal Serv Match	5010003	33,755	39,589	0	39,650	0
Operating Expenses	5020002	29,792	59,481	0	59,481	0
Travel-Conferences	5050009	2,193	3,000	0	3,000	0
Capital Outlay	5120011	0	7,500	0	7,500	0
Prof. Fees & Serv.	5060010	1,349	2,800	0	2,800	0
Data Processing	5090012	0	935	0	935	0
Claims	5110015	0	24,642	0	24,642	0
Grand Total		195,559	297,544	5	297,605	5

Funding Sources						
Name	Code					
Fund Balance	4000005	1,910,774	2,213,015	*****	*****	*****
Cash Funds	4000045	497,800	780,000	*****	*****	*****
Total Funding		2,408,574	2,993,015	*****	*****	*****
Excess Appro/(Funding)		(2,213,015)	(2,695,471)	*****	*****	*****
Grand Total		195,559	297,544	*****	*****	*****

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Rank by Appropriation

Agency Name STATE BOARD OF COLLECTION AGENCIES
 Agency Code 221
 Appropriation Name Collection Operations
 Appropriation Code A56
 Fund Name Collection Board-Cash
 Fund Code 310

Rank	Justification	Designation		Cost Center		2001-02	2002-03		Agency Request				Executive Recommendation			Legislative Recommendation				
		Bl	Base Level	Total		Actual	Budget	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
				195,559		195,559	297,545	4	296,591	4	301,637	4	296,591	4	301,637	4	0	0	0	0
1	Upgrade Fiscal Manager in-line with duties/responsibilities.	C10	Reclass	174210	Collection Payroll	0	0	0	2,858	0	2,936	0	2,333	0	1,859	0	0	0	0	0
				Total		0	0	0	2,858	0	2,936	0	2,333	0	1,859	0	0	0	0	0
2	Increase to send employees to Conference.	C02		174230	Collection Oper	0	0	0	1,500	0	1,500	0	0	0	0	0	0	0	0	0
				Total		0	0	0	1,500	0	1,500	0	0	0	0	0	0	0	0	0
3	Increase to replace computer, office equipment and furniture.	C04		174230	Collection Oper	0	0	0	7,500	0	0	0	7,500	0	0	0	0	0	0	0
				Total		0	0	0	7,500	0	0	0	7,500	0	0	0	0	0	0	0
				Grand Total	Total	195,559	297,545	4	308,449	4	306,073	4	306,424	4	303,496	4	0	0	0	0

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
ANALYSIS OF BUDGET REQUEST
2003- 2005

The Division of Check Cashing was created by Act 1216 of 1999, which is now codified as A.C.A. §23-52-101 et seq. The Division of Check Cashing is charged with licensing and regulating check cashing and deferred presentment of checks, imposing fines and penalties for violations of the check cashing laws and granting exemptions from licensing. The Division of Check Cashing currently oversees the activities of 170 check cashing companies

The Base Level request includes a 2.7% salary increase each year over the FY03 salary levels for all incumbents plus associated increases in Personal Services Matching. Included in Personal Services Matching is a \$33 per month increase in the monthly contribution for State employee's health insurance for a total state contribution of \$280 per month per budgeted employee. An increase of \$2,000 in Operating Expenses is requested for each year of the biennium to purchase office equipment.

The Executive Recommendation provides for Base Level.

Expenditure of appropriation is contingent upon available funding.

AGENCY Name: State Board of Collection Agencies Code: 221	APPROPRIATION Name: Division of Check Cashing Code: B99	CASH FUND Name: Collection Agencies Check Cashing Code: 385	ANALYSIS OF BUDGET REQUEST	PAGE 128
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ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name STATE BOARD OF COLLECTION AGENCIES
 Agency Code 221
 Appropriation Name Division of Check Cashing
 Appropriation Code B99
 Fund Name Collection Board-Check Cashing
 Fund Code 385

Character		Expenditures				
		2001-02	2002-03		2002-03	
Name	Code	Actual	Budget	Pos.	Authorized	Pos.
Regular Salaries	5010000	54,476	58,659	2	58,660	2
Extra Help	5010001	0	5,000	1	5,000	1
Personal Serv Match	5010003	15,491	16,774	0	16,713	0
Operating Expenses	5020002	20,987	47,006	0	47,006	0
Travel-Conferences	5050009	1,999	2,300	0	2,300	0
Capital Outlay	5120011	0	7,500	0	7,500	0
Prof. Fees & Serv.	5060010	0	4,000	0	4,000	0
Data Processing	5090012	0	800	0	800	0
Grand Total		92,953	142,039	3	141,979	3

Funding Sources						
Name	Code					
Fund Balance	4000005	268,971	233,795	*****	*****	*****
Cash Funds	4000045	57,777	42,000	*****	*****	*****
Total Funding		326,748	275,795	*****	*****	*****
Excess Appro/(Funding)		(233,795)	(133,756)	*****	*****	*****
Grand Total		92,953	142,039	*****	*****	*****

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name STATE BOARD OF COLLECTION AGENCIES
 Agency Code 221
 Appropriation Name Division of Check Cashing
 Appropriation Code B99
 Fund Name Collection Board-Check Cashing
 Fund Code 385

Character		Agency Request											
		2003-04						2004-05					
Name	Code	Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.
Regular Salaries	5010000	60,243	2	0	0	60,243	2	61,869	2	0	0	61,869	2
Extra Help	5010001	5,000	1	0	0	5,000	1	5,000	1	0	0	5,000	1
Personal Serv Match	5010003	17,781	0	0	0	17,781	0	18,069	0	0	0	18,069	0
Operating Expenses	5020002	47,006	0	2,000	0	49,006	0	47,006	0	2,000	0	49,006	0
Travel-Conferences	5050009	2,300	0	0	0	2,300	0	2,300	0	0	0	2,300	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0	0	0	0
Prof. Fees & Serv.	5060010	4,000	0	0	0	4,000	0	4,000	0	0	0	4,000	0
Data Processing	5090012	800	0	0	0	800	0	800	0	0	0	800	0
Grand Total		137,130	3	2,000	0	139,130	3	139,045	3	2,000	0	141,045	3

Funding Sources													
Name	Code												
Fund Balance	4000005	133,756	*****	0	*****	133,756	*****	36,626	*****	0	*****	36,626	*****
Cash Funds	4000045	40,000	*****	2,000	*****	42,000	*****	40,000	*****	2,000	*****	42,000	*****
Total Funding		173,756	*****	2,000	*****	175,756	*****	76,626	*****	2,000	*****	78,626	*****
Excess Appro/(Funding)		(36,626)	*****	0	*****	(36,626)	*****	62,419	*****	0	*****	62,419	*****
Grand Total		137,130	*****	2,000	*****	139,130	*****	139,045	*****	2,000	*****	141,045	*****