

STATE BOARD OF COLLECTION AGENCIES

Enabling Laws

Act 100 of 2014

A.C.A. §17-24-101 et seq. (Collection Agencies)

A.C.A. §23-52-101 et seq. [Repealed.] (Check-Cashing)

History and Organization

The Arkansas State Board of Collection Agencies (ASBCA) was created by Act 145 of 1965. The ASBCA is currently comprised of the Division of Collection Agencies. The Division of Check-Cashing was created by Act 1216 of 1999 and was part of the ASBCA until it was declared unconstitutional by the Supreme Court of Arkansas (No. 08-164) in November 2008.

The Division of Collection Agencies is responsible for licensing collection agencies, investigating and prosecuting violations of Arkansas collection law, enforcing bonding requirement and monitoring the activities of approximately 1,200 collection agencies. The ASBCA investigates consumer complaints such as non-remittance of client funds, prohibited collection practices, or unlicensed activity. When a complaint is lodged, the ASBCA initiates an investigation. Upon completion of the investigation appropriate remedies are applied. Remedies may include formal hearing before the Board, which may result in suspension or revocation of the collection agency's license, civil fines and/or criminal prosecution.



Agency Commentary

The Arkansas State Board of Collection Agencies (ASBCA) was created by Act 145 of 1965. The ASBCA is currently comprised of the Division of Collection Agencies. The Division of Check-Cashing was created by Act 1216 of 1999 and was part of the ASBCA until it was declared unconstitutional by the Supreme Court of Arkansas (No. 08-164) in November 2008.

The Board receives no funding from the State; the operations of the agency are funded from receipts of licensing fees and fines imposed by the Board.

The Board requests Base Level appropriation for the 2015-2017 Biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE BOARD OF COLLECTION AGENCIES
FOR THE YEAR ENDED JUNE 30, 2012

Findings

None

Recommendations

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	1	2	3	75 %
Black Employees	0	1	1	25 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			1	25 %
Total Employees			4	100 %

Cash Fund Balance Description as of June 30, 2014

Fund Account	Balance	Type	Location
3100000	\$2,397,807	Checking	Simmons National Bank - Little Rock

Statutory/Other Restrictions on use:

A.C.A. §17-24-305 establishes that the agency can use funds collected to pay all expenses.

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:

Funds are deposited in bank account as received.

Fund Balance Utilization:

Funds are collected throughout the year and used for expenses.

Fund Account	Balance	Type	Location
3100000	\$3,027,744	Certificate of Deposit	First Security Bank - Little Rock

Statutory/Other Restrictions on use:

A.C.A. §17-24-305 establishes that the agency can use funds collected to pay all expenses.

Statutory Provisions for Fees, Fines, Penalties:

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Revenue Receipts Cycle:

Funds are deposited in bank account as received.

Fund Balance Utilization:

Funds are collected throughout the year and used for expenses.

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
4	3	1	4	0	25.00 %	4	4	0	4	0	0.00 %	4	4	0	4	0	0.00 %

Analysis of Budget Request

Appropriation: A56 - Division of Collections - Cash Operations

Funding Sources: 310 - Collection Agencies Board - Cash

The State Board of Collection Agencies (SBCA) is responsible for such matters as licensing, 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 1,300 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.

The SBCA is funded with the receipts of license fees for collection agencies.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Board requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: A56 - Division of Collections - Cash Operations

Funding Sources: 310 - Collection Agencies Board - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	170,014	186,874	195,027	209,541	209,541	209,541	209,541	209,541	209,541
#Positions		4	4	4	4	4	4	4	4	4
Extra Help	5010001	4,859	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
#Extra Help		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	59,045	61,719	62,660	67,407	67,407	67,407	67,407	67,407	67,407
Operating Expenses	5020002	58,946	91,700	91,700	91,700	91,700	91,700	91,700	91,700	91,700
Conference & Travel Expenses	5050009	4,165	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Professional Fees	5060010	8,208	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	1,150,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Claims	5110015	0	24,642	24,642	24,642	24,642	24,642	24,642	24,642	24,642
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,455,237	1,695,435	1,704,529	1,723,790	1,723,790	1,723,790	1,723,790	1,723,790	1,723,790
Funding Sources										
Fund Balance	4000005	5,067,198	5,425,551		4,909,384	4,909,384	4,909,284	4,365,594	4,365,594	4,365,494
Cash Fund	4000045	1,813,590	1,179,168		1,180,000	1,180,000	1,180,000	1,180,000	1,180,000	1,180,000
Total Funding		6,880,788	6,604,719		6,089,384	6,089,384	6,089,284	5,545,594	5,545,594	5,545,494
Excess Appropriation/(Funding)		(5,425,551)	(4,909,284)		(4,365,594)	(4,365,594)	(4,365,494)	(3,821,804)	(3,821,804)	(3,821,704)
Grand Total		1,455,237	1,695,435		1,723,790	1,723,790	1,723,790	1,723,790	1,723,790	1,723,790