The Arkansas State Board of Collection Agencies("SBCA") was created by Act 145 of 1965, which is now codified as A.C.A. § 17-24-101 et seq. The SBCA encompasses two divisions: 1) the Division of Collection Agencies and 2) the Division of Check Cashing.

The Division of Collection Agencies is responsible for licensing collection agencies, investigating and prosecuting violations of Arkansas collection law, enforcing bonding requirements and generally policing the activities of approximately 475 collection agencies in the State. The SBCA investigates consumer complaints such as non-remittance of client funds, prohibited collection practices, agency dishonesty or unlicensed activity. When a complaint is lodged, the SBCA institutes an investigation. Upon completion of the investigation appropriate remedies are pursued. Remedies may include dismissal of charges, formal hearing before the Board of Directors which may result in suspension or revocation of the collection agency's license, civil fines and/or criminal prosecution. For the 2001-2003 Biennium, we are requesting an increase in appropriation for the Division of Collection Agencies in Operating Expenses and Capital Outlay to allow for expansion and cost increases associated with the Division. We are also requesting a decrease in Data Processing to reallocate to other areas of need.

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 fine and penalties for violations of the check-cashing laws and granting exemptions from licensing.
The Division of Check Cashing currently oversees the activities of 350 check-cashing companies in the State. For the 2001-2003 Biennium, we are requesting for the Division of Check Cashing increases in appropriation for Operating Expenses, Conference Fees and Travel, and Capital Outlay to allow for inflationary increases and expansion. We are also requesting a decrease in Data Processing to reallocate to other areas of need.

The SBCA aspires to reduce undesirable collection and check-cashing activities and to increase trade and consumer awareness of the applicable laws.

STATE BOARD OF COLLECTION AGENCIES
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1998

Assets				Liabilities			
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total	Total Equity
$ 625,784	$ 17,666	$ 7,232	$ 650,682	$ 131,358	$ 2,681	$ 134,039	$ 516,643

Revenues					Expenditures					
Intergovern-mental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	Other Sources (Uses)
$ 0	$ 0	$ 306,482	$ 24,860	$ 331,342	$ 69,078	$ 0	$ 5,477	$ 43,103	$ 117,658	$ 0

Findings

None

Recommendations

None

Audited by Division of Legislative Audit
SA0722198

ARKANSAS BUDGET SYSTEM
EMPLOYMENT SUMMARY
AS REQUIRED BY ACT 358 OF 1993
(A.C.A 19-4-307)

AGENCY TITLE 221 - STATE BOARD OF COLLECTION AGENCIES

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	0	3	3	50%
BLACK EMPLOYEES	1	2	3	50%
EMPLOYEES OF OTHER RACIAL MINORITIES	0	0	0	0%
TOTAL EMPLOYED AS OF 08/05/00 (DATE)			3 (TOTAL MINORITIES)	50%
			6 (TOTAL EMPLOYEES)	100%

Peggy Matson
AGENCY DIRECTOR

CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 2000

AGENCY: 221/State Board of Collection Agencies

ACCOUNT INFORMATION

FUND ACCT.	BALANCE	TYPE	LOCATION
310	54,826.64	Checking	Bank of America
310	340,253.67	Money Market	Metropolitan
310	4.52	Trust	Metropolitan
310	658,609.41	CD	Metropolitan

STATUTORY/OTHER RESTRICTIONS ON USE:
A.C.A§17-24-305 authorizes fees, establishes agency use of funds collected to pay the costs of administering the SBCA.

STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:
A.C.A§17-24-103 and -305 authorizes the SBCA to collect fees, fines and penalties; Rules and Regulations #VI, VIII and XVI authorizes fees for new hires, renewals and penalties.

REVENUE RECEIPTS CYCLE:
Fees, fines and interest are collected throughout the year. The Board of Directors directs the investment practices of the SBCA.

FUND BALANCE UTILIZATION:
Funds are utilized to effectively administer the SBCA. Because collections cannot be accurately projected and to achieve its mission of compliance and education, retention of fund balance is necessary. There are no requirements to remit to a general revenue fund or treasury account.

ACCOUNT INFORMATION

FUND ACCT.	BALANCE	TYPE	LOCATION

STATUTORY/OTHER RESTRICTIONS ON USE:

STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:

REVENUE RECEIPTS CYCLE:

FUND BALANCE UTILIZATION:

Fiscal Year 2001
Act 1276 of 1999

AGENCY: State Board of Collection Agencies **AGENCY #** 221

NAME OF PUBLICATION	STATUTORY AUTHORIZATION ACT # OR A.C.A.	REQUIRED FOR GOVERNOR AND/OR GENERAL ASSEMBLY ONLY	NUMBER OF COPIES PUBLISHED & DISTRIBUTED	REASON(S) FOR CONTINUED PUBLICATION AND DISTRIBUTION
NONE				

ARKANSAS BUDGET SYSTEM
DEPARTMENT APPROPRIATION SUMMARY

AGENCY TITLE State Board of Collection Agencies (221)		1999-01 Expenditures				2001-03 Biennium Request				2001-03 Executive Recommendation			
Appropriations Code	Name	Actual 1999-00	No. of Pos.	Budgeted 2000-01	No. of Pos.	Year 1 2001-02	No. of Pos.	Year 2 2002-03	No. of Pos.	Year 1 2001-02	No. of Pos.	Year 2 2002-03	No. of Pos.
A56	Cash Operations	$229,362	4	$288,567	4	$291,688	4	$297,605	4	$291,688	4	$297,605	4
B99	Division of Check Cashing	112,266	2	138,918	2	138,923	2	141,979	2	138,923	2	141,979	2
TOTALS		$341,628	6	$427,485	6	$430,611	6	$439,584	6	$430,611	6	$439,584	6
Funding Sources			% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances		$1,125,110	69.3%	$1,281,609	68.0%	$1,458,324	70.0%	$1,652,713	70.2%	$1,458,324	70.0%	$1,652,713	70.2%
General Revenues													
Special Revenues													
Federal Funds													
Constitutional Officers Fund													
State Central Services Fund													
Non-Revenue Receipts													
Cash Funds		498,127	30.7%	604,200	32.0%	625,000	30.0%	700,000	29.8%	625,000	30.0%	700,000	29.8%
Other													
Total Funding		1,623,237	100.0%	1,885,809	100.0%	2,083,324	100.0%	2,352,713	100.0%	2,083,324	100.0%	2,352,713	100.0%
Excess Appro./ (Funding)		(1,281,609)		(1,458,324)		(1,652,713)		(1,913,129)		(1,652,713)		(1,913,129)	
TOTAL		$341,628		$427,485		$430,611		$439,584		$430,611		$439,584	

DEPARTMENT
Arkansas State Board of Collection Agencies (221)

DIRECTOR
Peggy Matson

DEPARTMENT APPROPRIATION SUMMARY
BR 40

The State Board of Collection Agencies 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 four hundred seventy-five 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. Expenditure of appropriation is dependent upon available funding.

Base Level includes a cost of living increase of 2.6% each year over the FY01 salary levels, related Personal Services Matching costs, as well as Extra Help, supporting Maintenance & General Operations, and Claims. An increase of $5,165 in FY02 and $6,471 in FY03 in Operating Expenses is for telephone, fax, and supplies for agency operation. An increase of $7,500 in Capital Outlay each year is for data processing equipment and office furniture. A decrease of $9,565 each year in Data Processing is due to the reallocation of resources.

The Executive Recommendation provides for the Agency Request.

01	02	03	04	05	06	07	08	09	10	11	12	13	14
CHARACTER TITLE	EXPENDITURES 99-00 ACTUAL	EXPENDITURES 00-01 BUDGETED	00-01 AUTHORIZED APPRO	01-02 FISCAL YEAR BASE	01-02 CHANGE LEVEL	01-02 TOTAL REQUEST	02-03 FISCAL YEAR BASE	02-03 CHANGE LEVEL	02-03 TOTAL REQUEST	RECOMMENDATIONS EXECUTIVE 01-02	RECOMMENDATIONS EXECUTIVE 02-03	RECOMMENDATIONS LEGISLATIVE 01-02	RECOMMENDATIONS LEGISLATIVE 02-03
REGULAR SALARIES	126,307	146,876	135,908	150,682	0	150,682	154,597	0	154,597	150,682	154,597		
NUMBER OF POSITIONS	4	4	4	4	0	4	4	0	4	4	4		
EXTRA HELP	792	5,000	5,000	5,000	0	5,000	5,000	0	5,000	5,000	5,000		
NUMBER OF POSITIONS	1	1	1	1	0	1	1	0	1	1	1		
PERSONAL SERV MATCHING	33,880	38,239	37,592	38,954	0	38,954	39,650	0	39,650	38,954	39,650		
OPERATING EXPENSES	48,470	53,010	51,010	53,010	5,165	58,175	53,010	6,471	59,481	58,175	59,481		
CONF FEES & TRAVEL	2,849	3,000	5,000	3,000	0	3,000	3,000	0	3,000	3,000	3,000		
PROF FEES & SERVICES	2,209	2,800	2,800	2,800	0	2,800	2,800	0	2,800	2,800	2,800		
CAPITAL OUTLAY	4,446	4,500	4,500	0	7,500	7,500	0	7,500	7,500	7,500	7,500		
DATA PROCESSING	10,204	10,500	10,500	10,500	-9,565	935	10,500	-9,565	935	935	935		
CLAIMS	205	24,642	24,642	24,642	0	24,642	24,642	0	24,642	24,642	24,642		
TOTAL	229,362	288,567	276,952	288,588	3,100	291,688	293,199	4,406	297,605	291,688	297,605		
PROPOSED FUNDING SOURCES			**********										
FUND BALANCES	1,050,133	1,091,987	**********	1,163,420		1,163,420	1,246,732		1,246,732	1,163,420	1,246,732		
GENERAL REVENUES			**********										
SPECIAL REVENUES			**********										
FEDERAL FUNDS			**********										
STATE CENTRAL SERVICES FUND			**********										
NON-REVENUE RECEIPTS			**********										
CASH FUNDS	271,216	360,000	**********	371,900	3,100	375,000	395,594	4,406	400,000	375,000	400,000		
OTHER			**********										
TOTAL FUNDING	1,321,349	1,451,987	**********	1,535,320	3,100	1,538,420	1,642,326	4,406	1,646,732	1,538,420	1,646,732		
EXCESS APPRO/ (FUNDING)	(1,091,987)	(1,163,420)	**********	(1,246,732)		(1,246,732)	(1,349,127)		(1,349,127)	(1,246,732)	(1,349,127)		
TOTAL	229,362	288,567	**********	288,588	3,100	291,688	293,199	4,406	297,605	291,688	297,605		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
AGY 221 STATE BOARD OF COLLECTION AGENCIES
APPRO A56 CASH OPERATIONS

FUND 310 COLLECTION AGENCIES BD CASH(221)

The FY01 Budgeted amounts in Regular Salaries and/or Personal Services Matching may exceed the Authorized amounts due to the implementation of the pay plan during the 1999-01 biennium.

Budgeted exceeds Authorized in Various Line Items due to a Budget Classification Transfer.

APPROPRIATION SUMMARY

BR 215

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
					EXPENDITURES		2001 - 03 BIENNIUM REQUESTS								RECOMMENDATIONS			
							FY 2001 - 02					FY 2002 - 03			EXECUTIVE		LEGISLATIVE	
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	ACTUAL 99-00	BUDGETED 00-01	REQUEST					REQUEST			2001-02	2002-03	2001-02	2002-03
000		310	221 A56	B	229,362 4	288,567 4	288,588 4					293,199 4			288,588 4	293,199 4		
001		310	221 A56 100 DIVISION OF COLLECTION AGENCIES	C01			12,165 0					13,471 0			12,165	13,471		
	The increase of $5,165 in FY02 and $6,471 in FY03 is for Operating Expenses to cover telephone, Service charge, rent, stationary, postage, and mileage. The increase of $7000 in Capital Outlay Each year is to cover office furniture and equipment.																	
002		310	221 A56 A90 INFORMATION TECHNOLOGY	C08			-9,065 0					-9,065 0			-9,065	-9,065		
	The increase of $500 each year in Capital Outlay is to cover data processing equipment. The decrease of $9565 each year in Data Processing is to due to reallocating of resources to cut back in areas of lessor need in the budget.																	

DEPT 007 REGULATORY BOARDS AND COMMISSIONS

AGY 221 STATE BOARD OF COLLECTION AGENCIES

APPRO A56 CASH OPERATIONS

FUND 310 COLLECTION AGENCIES BD CASH(221)

RANK BY APPROPRIATION

BR 264

ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
2001 - 2003

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 350 check cashing companies. Expenditure of appropriation is dependent upon available funding.

Base Level includes a cost of living increase of 2.6% each year over the FY01 salary levels, related Personal Services Matching costs, as well as Extra Help, and supporting Maintenance & General Operations. An increase of $8,200 in FY02 and $9,506 in FY03 in Operating Expenses is for postage, printing, rent, and supplies for agency operation. An increase of $1,300 in Conference Fees and Travel is for meals and lodging. An increase of $7,500 in Capital Outlay each year is for data processing equipment and office furniture. A decrease of $9,700 each year in Data Processing is due to the reallocation of resources.

The Executive Recommendation provides for the Agency Request.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF	PAGE
Name: State Bd. Of Collection Agencies	Name: Division of Check Cashing	Name: Collection Agencies Check Cashing	BUDGET REQUEST	115
Code: 221	Code: B99	Code: 385	BR20	

01	02	03	04	05	06	07	08	09	10	11	12	13	14
CHARACTER TITLE	------EXPENDITURES------- 99-00 ACTUAL	00-01 BUDGETED	00-01 AUTHORIZED APPRO	----------01-02 FISCAL YEAR---------- BASE	CHANGE LEVEL	TOTAL REQUEST	----------02-03 FISCAL YEAR---------- BASE	CHANGE LEVEL	TOTAL REQUEST	----------RECOMMENDATIONS---------- EXECUTIVE 01-02	EXECUTIVE 02-03	LEGISLATIVE 01-02	LEGISLATIVE 02-03
REGULAR SALARIES	40,206	55,737	117,407	57,175	0	57,175	58,660	0	58,660	57,175	58,660		
NUMBER OF POSITIONS	2	2	2	2	0	2	2	0	2	2	2		
EXTRA HELP	0	5,000	5,000	5,000	0	5,000	5,000	0	5,000	5,000	5,000		
NUMBER OF POSITIONS	1	1	1	1	0	1	1	0	1	1	1		
PERSONAL SERV MATCHING	13,168	16,181	39,300	16,448	0	16,448	16,713	0	16,713	16,448	16,713		
OPERATING EXPENSES	40,951	37,500	30,000	37,500	8,200	45,700	37,500	9,506	47,006	45,700	47,006		
CONF FEES & TRAVEL	927	1,000	2,500	1,000	1,300	2,300	1,000	1,300	2,300	2,300	2,300		
PROF FEES & SERVICES	1,416	4,000	10,000	4,000	0	4,000	4,000	0	4,000	4,000	4,000		
CAPITAL OUTLAY	8,993	9,000	9,000	0	7,500	7,500	0	7,500	7,500	7,500	7,500		
DATA PROCESSING	6,605	10,500	10,500	10,500	-9,700	800	10,500	-9,700	800	800	800		
REFUNDS/REIMBURSEMENTS	0	0	100,000	0	0	0	0	0	0	0	0		
TOTAL	112,266	138,918	323,707	131,623	7,300	138,923	133,373	8,606	141,979	138,923	141,979		
PROPOSED FUNDING SOURCES			**********										
FUND BALANCES	74,977	189,622	**********	294,904		294,904	405,981		405,981	294,904	405,981		
GENERAL REVENUES			**********										
SPECIAL REVENUES			**********										
FEDERAL FUNDS			**********										
STATE CENTRAL SERVICES FUND			**********										
NON-REVENUE RECEIPTS			**********										
CASH FUNDS	226,911	244,200	**********	242,700	7,300	250,000	291,394	8,606	300,000	250,000	300,000		
OTHER			**********										
TOTAL FUNDING	301,888	433,822	**********	537,604	7,300	544,904	697,375	8,606	705,981	544,904	705,981		
EXCESS APPRO/ (FUNDING)	(189,622)	(294,904)	**********	(405,981)		(405,981)	(564,002)		(564,002)	(405,981)	(564,002)		
TOTAL	112,266	138,918	**********	131,623	7,300	138,923	133,373	8,606	141,979	138,923	141,979		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
AGY 221 STATE BOARD OF COLLECTION AGENCIES
APPRO B99 DIVISION OF CHECK CASHING

FUND 385 COLLECTION AGENCY CHECK CASHING-(221)

Budgeted exceeds Authorized in Various Line Items due to a Budget Classification Transfer.

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
					EXPENDITURES		2001 - 03 BIENNIUM REQUESTS								RECOMMENDATIONS			
							FY 2001 - 02					FY 2002 - 03			EXECUTIVE		LEGISLATIVE	
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	DES	ACTUAL 99-00	BUDGETED 00-01	REQUEST					REQUEST			2001-02	2002-03	2001-02	2002-03
000		385	221 B99	B	112,266 2	138,918 2	131,623 2					133,373 2			131,623 2	133,373 2		
001		385	221 B99 200 DIVISION OF CHECK CASHING	C01			16,500 0					17,806 0			16,500	17,806		

The increase of $8,200 in FY02 and $9,506 in FY03 in Operating Expenses is to cover postage, service charge, printing, rent, publications and subscriptions. The increase of $1,300 each year in Conference Fees and Travel is to cover meals and lodging. The increase of $7,000 each year in Capital Outlay is to cover office furniture and equipment

002		385	221 B99 A90 INFORMATION TECHNOLOGY	C08			-9,200 0					-9,200 0			-9,200	-9,200		

The increase of $500 each year in Capital Outlay is to cover data processing equipment. The decrease of $9,700 each year in Data Processing is due to the reallocating of resources to cut back in areas of lessor need in the budget.

DEPT 007 REGULATORY BOARDS AND COMMISSIONS

AGY 221 STATE BOARD OF COLLECTION AGENCIES

APPRO B99 DIVISION OF CHECK CASHING

FUND 385 COLLECTION AGENCY CHECK CASHING-(221)

RANK BY APPROPRIATION

BR 264