

2017-2018 BUDGET QUESTION
Response to Request for Information

DEPARTMENT: Library

REQUEST NO.: 62

REQUESTED BY: Kitchen

DATE REQUESTED: 8/1/17

DATE POSTED: 8/3/17

REQUEST: Please provide details on the collections process within the Library Department. What was the FY 2016 recovery rate for unreturned items?

RESPONSE:

Library begins the collection process to recover overdue library material by sending an overdue email notice once an account is three days overdue. Reminders are sent at fourteen and 27 days overdue as well. If overdue items are not returned, the library begins the collection process by billing the customer for the items including a processing fee at 28 days overdue. If the items are not returned, a second bill is sent to the customer at 42 days overdue.

Unreturned items and overdue fines that exceed \$24.99 are referred to a collection agency 56 days or more past due. When an account is referred to our Collection agency, a \$10 referral fee is billed to the customer's account. The collection agency performs a skip tracing process on each account in order to find the most current address and phone number for each customer. They attempt to recover material and fees through mail notices and phone calls to the customer. They continue this process for approximately 120 days.

The Library's recovery rate for fine collection is difficult to assess accurately because the payment of fines and fees can cross many fiscal years. For example, we regularly collect fine payments for accounts that were assessed years ago. The totals below include accounts with amounts owed less than \$24.99 that are not referred to our collection agency.

	FY2015-16
Fines Assessed	\$1,830,167
Fines Paid	\$714,294
Recovery Rate	39%

We can accurately report that fines assessed for FY 2016 was \$1.8 million. The fines paid in FY 2016 is not fiscal year specific. The amount may include payments for fines that were assessed prior to FY 2016.

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A more reliable representation of the Library's recovery rate relates to the collection of delinquent accounts that are in collection status and have been referred to our third party collection agency. Accounts that are in collection status with this agency are those accounts with uncollectible balances greater than \$24.99. As the table below illustrates, the Library's collection agency is providing a valuable return on investment.

	2015-2016
Cost of Collection Agency	\$ 39,943.85
Amount collected by Agency	\$ 195,119.60
Return on Investment	388%