

OWLSnet Collection Agency Procedure

Background

With the passage of Act 169 on Feb 29, 2016, Wisconsin public libraries are authorized to use the services of a collection agency to assist in the recovery of long overdue library materials. See WI Statute 43.30 (6).

Individual OWLSnet member libraries may choose whether or not to use a collection agency. However, the collection agency software provided by our Integrated Library System vendor, The Library Corporation (TLC), only allows a library to submit to collection a patron account registered with their library, regardless of which library owns the billed materials or where the billed materials were checked out.

As of September 2016, all of the OWLSnet member library boards have passed resolutions authorizing OWLSnet libraries to refer patron accounts to collection when there are overdue materials either owned by another library or checked out at another library.

At the September 2016 AAC meeting, it was decided that OWLS will facilitate the use of a collection agency in OWLSnet.

Collection Agency and Costs

We will use Unique Management, Inc., a collection service that specializes in recovering library materials. They use a “gentle nudge” approach that emphasizes material recovery and patron goodwill. Unique does not report to credit agencies.

Libraries will sign individual contracts with Unique and be billed directly by them. OWLS will not sign contracts, nor be a go-between in the process.

Unique charges the library \$9.85 per patron account sent to collection. The process automatically adds a \$10 collection fee to all patron accounts sent to Unique.

Set Up

To begin using the collection agency, contact Unique, identify yourself as an OWLSnet library, and sign their agreement. Unique will assign you to a customer service agent who will help you navigate their process. Then, contact OWLS to request the CARL workflow and allow us to inform TLC of the library addition. The library, OWLS, and Unique will work together on technical set up and training. It takes about a month from signing the agreement to sending your first accounts to collection.

Criteria for Accounts to be Sent to Collection

OWLSnet libraries have decided that patrons must have at least one billed item and owe more than \$50 in order to be referred to the collection agency. Patron accounts will be eligible 17 days after the item's status has changed to LOST. The patron must be registered with (i.e. have as their home agency) a library that has contracted with the collection agency.

Note: Do not change the home agency of a patron who has been sent to collection (indicated by "Sent" in the Collection Status field in the account). Do not attempt to manually remove a patron from collections either through the patron status or the collection status.

Procedure

Library attempts to recover materials or payment for materials.

1. Patron may receive emailed or printed courtesy notices the day before an item is due, and 1st overdue notices at 3 days overdue, and 2nd overdue notices at 6 days overdue. These come from the preferred branch. Currently, some libraries choose not to mail 1st and/or 2nd overdue notices.
2. The patron is billed for items at 28 days overdue. All bills include the message "Unpaid balances above \$50 may be referred to a collection agency."

Library sends accounts to Unique, WEEKLY on the same day:

1. Every Monday morning, libraries will receive an emailed report from TLC. This report shows which patrons currently qualify for UMS.
2. Staff need to look over this report before Tuesday morning when the official report is sent to UMS.
3. If there are names on the Monday report staff do not want sent, then they need to go into the account and mark the Collection Status as "Do Not Send."
 - a. This status will remain until staff manually change it back to "Not Sent."
4. When TLC runs the Tuesday report three things happen:
 - a. The patron accounts are sent to Unique via email.
 - b. CARL adds the Agency Fee to the patron record as a manual charge with the reason COLLECTION AGENCY.
 - c. CARL sets the Collection Status field to "Sent" and the patron Status field to "Hard Blocked."

Note: If you contact Unique to remove a patron from the report within 24 hours, Unique will waive the \$9.85 fee.

Remove patrons from the report before sending to Unique

OWLS strongly recommends that participating libraries develop a written policy defining appropriate reasons for excluding patrons from collection.

To remove patrons from the new submissions report before sending:

1. Log into the patron account.
2. Locate the "Collection Status" field.
3. Change the status to "Do Not Send."
4. This status will remain, and the patron won't be sent to UMS, until staff manually change it.

Patrons that have been removed from a report will no longer appear in the weekly reports until staff change their status back to "Not Sent." If you wish to permanently exclude a patron from collections, please update their Collection Status to "Do Not Send."

Unique Management uses initial placement to attempt to recover materials or payment.

1. When the collection report is sent to Unique, a block and Collection status (Hard Block and Sent) is placed on the patron account.
2. Unique sends out a letter to each patron, usually the same day they receive the account.
3. After three weeks, Unique sends out a follow-up letter.
 - a. If the patron returns material or makes a partial payment but doesn't completely resolve the account, Unique automatically sends a letter encouraging the patron to resolve the remaining balance.
4. If the patron still owes money two weeks after the second letter, they are called at home in the evening or on a Saturday.
5. Unique gets daily automated updates on patron balances. Patrons are removed from the collection agency if they resolve all outstanding items and charges.

Unique Management uses secondary placement to attempt to recover materials or payment.

1. Skip tracing is done to find patrons who have moved. Corrected addresses are provided to the library each month.
2. Once a correct address has been obtained, a final notice letter is sent.
3. If the patron has not cleared their account 14 days after the final notice letter is sent, the patron is called again.
4. Several telephone calls will be made depending on the patron balance, what has been said earlier by the patron, and response to date.
5. Unique's recovery process ends after 154 days. At this point, alternative collection measures such as TRIP can be initiated on the patron account.

Unique sends each library a monthly report listing the status of each patron account. When a patron account has completed the collection cycle, their status on Unique's report will be "Scheduled Activity Completed." The Collection Status "Sent" is removed automatically when the amount due equals \$0.

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Frequently Asked Questions

How long before a patron is sent to collection?

Unique Management recommends that accounts be sent to collection at or before 60 days overdue. Bills in our system are sent at 28 calendar days overdue. At 28 days overdue, the item status changes to LOST and CARL then counts 17 calendar days from the LOST date to qualify patrons to be sent to collections. This would give patrons a little more than two weeks to respond to a bill.

Why isn't a particular patron on my collection agency report?

First, check that they owe more than \$50.00.

Next, look for any old fines on their account. Any fines on the account older than your cutoff date (ie March 2016) will NOT be included in the totals for UMS consideration. If you waive fines that were assessed before the cutoff date in your collection agency set-up, that patron should appear on the report the following week.

Next, check that they have a LOST item for 45 calendar days (45 days from original due date). In order to appear on the report, a patron must have one billed item and owe \$50..

There are two reports being run: one on Monday morning and one Tuesday morning. The Monday report is a snapshot in time and may not catch those patrons who would qualify Tuesday morning. The Tuesday report is what gets sent to UMS. Staff do not see the Tuesday report, so essentially, patrons could fall between the cracks of these two reports. Contact OWLS if you have questions on an account or need to remove an account

What if the patron has returned the items, but the library missed checking them in?

Before a patron is sent to collection, the library will have sent out all of their standard notices – 1st and 2nd overdue notices (depending on the library) and a bill. Libraries are sent a Search Shelves report by the OWLSnet staff prior to the generation of the bill. This allows them to search for the item and make sure the price is correct in the record, before the bill is actually generated.

If a patron is sent to collections and the item is found to have been returned, Unique Management's gentle approach is designed to maintain patron goodwill. Library staff will have the option, based on their library's policy, to waive the collection agency fee.

What patron information does the collection agency receive?

- Patron record number (unique to the system, not the patron barcode)
- Name
- Telephone
- Patron type (i.e. adult, juvenile, employee)
- Patron home agency
- Money owed
- Total item cost
- First fine date (date of the first charge on the patron account)

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- Address
- Barcode
- Sponsor field (with any other info you have stored here)
- Birth date
- Status and Collection Status
- Returned billed material (cost of material that has been returned)
- Charges paid since last report
- Charges waived since last report
- New charges since last report
- System removed (generally billed items removed because the item was returned)
- Date patron was removed from collection (If the home agency does so)

What if mail is returned to the library prior to a patron being sent to collection?

The OWLSnet Patron Registration Procedures document has been updated to complement the Collection Procedure. Under Mail Returned, we have added a step to replace the zip code with 99999. When Unique receives an account with this zip code, it will trigger their skip tracing process.

Can the library still talk to the patron, even after their account has been sent to Unique?

Yes, in fact Unique encourages the patron to contact the library. If the patron is not home when Unique calls them, Unique will ask them to contact the circulation desk at the library, including a name and/or phone number.

What if a patron contacts the library and wants to make arrangements for payment?

If a library wants to make arrangements with a patron and ensure that patron's account is not sent to collection, they can make changes to the patron record to accommodate this. It would be best to do this before sending the account to collection (since a fee is charged once the account is sent).

If the patron account has already been sent to collection, the library can log in to Unique's account access web site and suspend or resume collection activity on that account.

Staff will also need to contact OWLS so they can contact TLC to change the patron's Collection Status back to "Not Sent."

Can Unique Management encourage patrons to use e-commerce to pay fines and bills online?

Custom language can be added to letters for a small fee to cover review by Unique's attorney. The fee may be waived if there is a letter already in use by another client that includes the language that you want. Call scripts can be customized to include language directing patrons to pay fines/bills online at no additional charge.

Which library gets the funds for bills, fines and the collection agency fee? How does this happen?

Unique does not collect money. They encourage patrons to return to their library and return materials and pay fines and fees at the library.

Collection agency fees are due to the home agency, bills are due to the owning library, and fines are due to either the owning library (when paid online) or the library where the patron pays the fines (when paid in person.)

If charges are paid online, funds are distributed to the correct agency as part of the monthly ecommerce process. If charges are paid in person, the collecting library forwards funds as necessary to the correct library, following established procedure. Reports are posted each month to help libraries pay and receive funds from other libraries.

When is the Collection Status and Hard Block removed?

The Collection Status is automatically applied when the patron's record is sent in a report to Unique. The status will be automatically removed when the patron's balance reaches \$0, though this will not show up in CARL until the automatic daily update is sent to Unique at 5am the following morning. If a patron pays their entire balance, and would like to check out items that day, staff may override the hard block.

The collection status should not be removed manually; CARL will not allow it to be removed. Only TLC staff can change this. If Unique completes their process, and a patron has not cleared their balance, the Sent Collection Status will stay on to prevent checkouts and also to prevent that patron being sent to Unique again when the next report runs, and the library paying to send the same account to collections twice.

Can we use alternate means of collection?

There may be cases where an account is sent to collection, and another library wishes to use an alternative means of collection for the same patron. In order for the library using Unique to have the best chance of recouping the collection agency fee, libraries using alternative means of collection must wait until the account has gone through the entire Unique process before using an alternate collection process.

Other notes:

- Unique uses date of birth (not Patron Type) to determine whether a patron should be treated as an adult or a juvenile.
- OWLS advises that you do not check out to patrons who have a Collection Status of Sent, even if their balance is less than \$5.00.