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, Innovative Interfaces, 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 $8.95 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 that the collection agency workflow and procedures be added to your Sierra account. 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 45 days after the billed item's due date. 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 a manual block c in their patron record). Do not add or remove a Manual Block – C manually.

Procedure

Library attempts to recover materials or payment for materials.

1. Patron may receive emailed courtesy notices, and 1st overdues at 3 days overdue and 2nd overdues at 14 days overdue. These come from the owning library. Currently, some libraries choose not to mail 1st and/or 2nd overdue notices.
2. Patron is billed for items at 28 open days overdue. All bills include the message "Unpaid balances above $50 may be referred to a collection agency."
3. Since bills include a note of the total outstanding fines and bills, libraries may want to keep a copy of each bill for patrons who meet the eligibility criteria.

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

1. In Sierra, choose the Collection Agency function, and enter your override password.
2. Next to Settings, choose your library's template, i.e. "Clintonville regular"
3. Click New Submissions, and wait while the report is processing. This will generate a list of patrons who have met the criteria to be sent to collections.
4. If you do not wish to exclude any patrons, click Send. When you click Send, three things happen:
   a. The patron accounts are sent to Unique via email, copying the library.
   b. Sierra adds the Agency Fee to the patron record as a manual charge with the reason COLLECTION AGENCY REPORT CHARGE.
   c. Sierra sets the MBLOCK fixed-length field to c - Collection Agency
5. If the report is empty, click Send, so that Unique knows it was run.
6. If you fail to run the report on the scheduled day, Unique will contact both the library and OWLS.

Note: This process can be automated. Automated reports are sent to Unique on Tuesdays at 5am. The library will receive a copy via email. If you contact Unique to remove a patron from the report within 24 hours, Unique will waive the $8.95 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. Follow steps 1-3 above.
2. Click Print at the top right.
3. Exit the collection report without sending.
4. Review patron records in Sierra.
5. Repeat steps 1-3 above to run the report again.* Select patrons you do not want to send to the collection agency, and click Remove.
6. Click Send.

Patrons that have been Removed from a report will continue to appear in the New Submissions report each time it is run until they no longer meet the collection criteria. If you wish to permanently exclude a patron from collections, please contact OWLS.

Innovative cautions that running the report without sending it can sometimes cause data loss. If you run the report and exit as described above, and the next time you run the report, some patrons are missing that you did not remove, please contact OWLS with that patron information.

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

1. When the collection report is sent to Unique, a block (manual block c – collection) 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 Manual Block – C is removed automatically when the amount due equals $0.

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 days overdue; however, that only includes open days. If a library is open 7 days a week, then items checked out at that library are billed at approximately 28 calendar days. For libraries open 5 days a week, items are generally billed at 37 days. Since bills for most items are sent between 28 and 36 days overdue, we have decided to send accounts to collection at 45 days after the due date, which will generally be between 45 and 60 calendar days. This would give patrons a little more than two weeks (at a minimum) 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. If you waive fines that were assessed before the start date in your collection agency report template, that patron should appear on the report the following day.

Next, check that they have an item at least 45 days overdue (counting only open days). In order to appear on the report, a patron must have at least one item checked out, so if they have a bill for a "Lost" item, but no items checked out, they will not appear on the report. There is a workaround to force patron accounts that have zero items checked out onto the Collection Agency report. Contact OWLS for help with this.

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 collection 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 library
- Money owed
- Total item cost
- First fine date (date of the first charge on the patron account)
- Address
- Barcode
- Parent field (with any other info you have stored here)
- Birth date
- Manual block
- 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.

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 manual block C removed?

The manual block C is automatically applied when the patron's record is sent in a report to Unique. The block will be automatically removed when the patron's balance reaches $0, though this will not show up in Sierra 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 manual block.

The manual block C should not be removed manually (we know that's a weird thing to say). If Unique completes their process, and a patron has not cleared their balance, the C block should stay on to prevent checkouts and also to prevent that patron being sent to Unique again when you next run the report, and the library paying to send the same account to collections twice. Manually adding and removing the C can also corrupt the underlying collections data table.

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 Ptype) 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 manual block C, even if their balance is less than $5.00.