

## Collections Quick Reference for Establishing Payment Plans and Issuing MOLs

The purpose of this document is to provide guidance for collections staff when setting payment a plan (PPA) and issuing a Memorandum of Lien (MOL) for taxpayers.

Non-Habitual Taxpayers	Research & Review	Resolution
<ul style="list-style-type: none"> <li>• First partial payment agreement (PPA) and/or no prior defaults due to nonpayment.</li> </ul>	<ul style="list-style-type: none"> <li>• Determine if a bill is eligible for an MOL (within 6 year statute and has not been included in a previous MOL).</li> </ul>	<ul style="list-style-type: none"> <li>• Secure down payment detailed below.</li> <li>• Supervisor approval is needed for PPA beyond 24 months, send review request to your supervisor via email.</li> <li>• If bill is eligible, Issue MOL intent letter</li> </ul>

Balance Due	Maximum PPA Length	Minimum Down Payment (Use negotiation skills)	Hardship Options (non-COVID) COVID Hardship / Catastrophic Event / Natural Disaster (No financial statements required)	Supervisor Approval	Issue MOL Intent Letter
0-\$4,999	18 months	<ul style="list-style-type: none"> <li>• 10% of total due (individual income tax)</li> <li>• 20% total due (business taxes)</li> </ul>	<ul style="list-style-type: none"> <li>• Two-part agreement: 3 month plan with balloon payment.</li> <li>• Affordable amount for taxpayer: Minimum \$25 for individuals, \$100 for business.</li> <li>• If the TP is unable to make the current month's payment, reset PPA to resume up to 40 days out.</li> <li>• <b>(Internal Note)</b> The taxpayer may have up to 2 instances of a 3 month plan/balloon payment within a 24-month time period. After those 2 instances they must enroll in the PPA according to the terms or they will not be set on a PPA.</li> </ul>	No	<ul style="list-style-type: none"> <li>• Issue if bill(s) total over \$3,000</li> <li>• Advise the taxpayer:                             <ul style="list-style-type: none"> <li>○ An MOL intent letter will be mailed in addition to the PPA agreement</li> <li>○ The intent letter can be disregarded as long as the PPA does not default due to non-payment</li> </ul> </li> </ul>
\$5,000-\$14,999	30 months	<p><b>OR</b></p> <ul style="list-style-type: none"> <li>• 10% of new bill due (individual income tax)</li> <li>• 20% of new bill due (business taxes)</li> </ul>		No	
\$15,000-\$34,999	48 months			Yes	
\$35,000 and above	60 months			Yes	

Habitual Taxpayers	Research & Review	Resolution
<ul style="list-style-type: none"> <li>Prior PPA defaulted due to non-payment</li> <li>Defaults due to the creation of sales or withholding non-filers or failure to pay current taxes</li> <li>Taxpayers who have defaulted more than three times within 12 months, due to nonpayment are no longer eligible to establish payment plans</li> </ul>	<ul style="list-style-type: none"> <li>Determine if a bill is eligible for an MOL (within 6 year statute and has not been included in a previous MOL)</li> </ul>	<ul style="list-style-type: none"> <li>Uncheck the <b>Re-establish Eligible</b> box in CACSG when creating the new plan to limit access to web and tele-plan options.</li> <li>Secure down payment detailed below, future dated through quick pay OR</li> <li>Supervisor approval is needed for PPA beyond 24 months, send review request to your TL via email.</li> <li>If the bill(s) is eligible, issue MOL</li> <li>If taxpayer is no longer eligible for a PPA, provide payment options and educate on collection process including liens</li> </ul>

Balance Due	Maximum PPA Length	Minimum Down Payment (Use negotiation skills)	Hardship Options (non-COVID) COVID Hardship / Catastrophic Event / Natural Disaster (No financial statements required)	Supervisor Approval	Issue MOL Intent Letter
0-\$2,499	6 months	<ul style="list-style-type: none"> <li>10% of total due (individual income tax)</li> <li>20% total due (business taxes)</li> </ul> <b>OR</b> <ul style="list-style-type: none"> <li>10% of new bill due (individual income tax)</li> <li>20% of new bill due (business taxes)</li> </ul>	<ul style="list-style-type: none"> <li>Two-part agreement: 3 month plan with balloon payment.</li> <li>Affordable amount for taxpayer: Minimum \$25 for individuals, \$100 for business.</li> <li>If the TP is unable to make the current month's payment, reset PPA to resume up to 40 days out.</li> <li><b>(Internal Note)</b> The taxpayer may have up to 2 instances of a 3 month plan/balloon payment within a 24-month time period. After those 2 instances they must enroll in the PPA according to the terms or they will not be set on a PPA.</li> </ul>	No	<ul style="list-style-type: none"> <li>Issue MOL for all eligible habitual taxpayer bills that total more than \$3,000.</li> <li>Ensure bill is within 6 year statute</li> <li>Ensure bill has not been included in MOL previously issued</li> </ul>
\$2,500-\$9,999	12 months			No	
\$10,000-\$17,999	18 months			No	
\$18,000 and above	24 months			Based on amount	

Scenario	Resolution	Script
<ul style="list-style-type: none"> <li>• Taxpayer cannot afford required down payment of 10% or 20% down payment to start payment plan</li> </ul> <p><b>Use your negotiation skills. Do not start off at the lowest option of waiving the down payment for every taxpayer. The reason an exception was made for the taxpayer must be included in the notes.</b></p>	<p>→ Allow down payment to be paid over 2-4 payments</p> <ul style="list-style-type: none"> <li>• Take the down payment amount and divide it over the months being offered and enter in to CACSG as first part of two part agreement</li> <li>• Use months remaining in PPA term to calculate monthly amounts for remainder of PPA.</li> </ul>	<p>“Generally the initial down payment of <b>(10% or 20%)</b> is required as the first payment to start the payment agreement. Based on your circumstances, we can allow you to break the amount up over a few payments to make it more affordable for you.”</p>
	<p>→ Offer a lower down payment</p> <ul style="list-style-type: none"> <li>• 5% for individuals</li> <li>• 10% for business</li> </ul>	<p>“Usually the initial down payment of <b>(10% or 20%)</b> is suggested as the good faith payment to start the agreement. Based on your circumstances, we can lower this amount for you so that you can enroll in the payment plan. We can accept an initial payment of <b>(5% or 10%)</b> to get you started.”</p>
	<p>→ Waive the down payment requirement</p>	<p>“Generally the initial down payment of <b>(10% or 20%)</b> is suggested as the good fiat payment to start the agreement. Based on your circumstances, we can waive this requirement for you. Please be advised this is a one-time courtesy and if you enroll in payment plans in the future, you will be asked for a down payment to begin.”</p>
<ul style="list-style-type: none"> <li>• Taxpayer cannot afford required payment amount based PPA terms AND has already had a lower hardship agreement 2 times within 24 month period</li> </ul>	<p>→ Provide payment options and educate on collection process including liens</p>	<p>“Unfortunately we are unable to grant an additional hardship agreement at this time. If you cannot commit to the required terms we will not be able to set you up in a payment plan. Please keep in mind that until the balance is satisfied we may move forward with additional collection efforts taken on the account, such as a wage or bank lien. You can call or go online and make regular monthly payments towards your balance. Please make at least 1 payment at least every 30 days.”</p>