

MEMO

Date: April 18, 2016

To: Colleen Rortvedt, Library Director
Appleton Public Library Board of Trustees

From: Paula Wright, Public Services Supervisor

RE: Collection Agency Recommendation

Recent legislation by the State of Wisconsin Legislature (2015 Wisconsin Act 169) now “permits a public library to report to a collection agency information about delinquent accounts of an individual who borrows or uses the library’s documents, materials, resources, or services, as well as the number and type of overdue documents or materials.”

As a result of this recent legislation the Outagamie Waupaca Library System (OWLS) and Nicolet Federated Library System (NFLS), known collectively as OWLSnet, have been working with a collection agency, Unique Management Services (UMS), on the possibility of implementing a collection agency process for the OWLSnet system.

A recent OWLSnet webinar with staff from UMS detailed how UMS works with libraries and their collection process. From UMS we learned the following:

- UMS works exclusively with libraries on collection and recognizes the unique nature of the relationship between patrons and the library.
- UMS uses a process of letters and phone calls when contacting patrons regarding delinquent accounts. They employ what they refer to as a “Gentle Nudge” process that encourages patrons to return to the library and work with the library to resolve account issues.
- The UMS process works with the collection module of Sierra, the library’s current library computer system, and automatically runs weekly and daily reports.
- UMS employs a skip tracing process to find patrons who have moved from the area or out of state. A monthly report is given to libraries to update their records.
- No title information is passed on to UMS so patron privacy is protected.
- Juvenile accounts are handled differently than adult accounts; letters and calls are addressed to the patrons of the juvenile.
- The cost of the service is \$8.95 per patron account (not per item). UMS recommends that libraries add a collection fee of \$10 to each patron account submitted for collection to cover costs.
- Libraries following the recommended parameters of UMS typically see a 4:1 return on investment. The webinar example stated if a library spent \$2000 on the process they would see an estimated return of \$8000 (in materials and monies).
- The entire process with UMS takes around 120 days. UMS reports that after 120 days the majority of delinquent accounts have been resolved (but not hard statistics were shared).
- Libraries have the ability to take a patron out of the collection process at any time during the process as they are working with patrons (and have the ability to add them back in).

Currently the Appleton Public Library uses the State of Wisconsin's Tax Refund Intercept Program (TRIP) to recover monies owed by patrons for billed items. This process starts 6 months after a patron has billed items checked out at Appleton and involves significant work on the part of the staff of the Appleton Public Library, the City of Appleton's City Attorney office, as well as the Finance Department. Once the process begins it can take 1-2 months to enter a patron into TRIP. Once entered into TRIP the library's ability to work with patron beyond simple payment of the monies owed is severely limited. In 2016, as of April 15th, the Library has collected \$4247.06 in TRIP funds on delinquent patron accounts.

I believe that the benefits from employing a collection agency would be greater than our current TRIP program for the following reasons:

- UMS use of skip tracing will make it possible to find patrons who have moved away from the area or out of state and still recover our materials or lost monies (not currently possible with TRIP).
- The return on investment is greater than our current TRIP process.
- The UMS process is to recover both materials and monies owed, our current TRIP process focuses on monies collected and excludes the return of materials once a patron is formally entered into TRIP.
- Much of the UMS process is automated via Sierra, which will save time on the part of APL Staff and city staff in the City Attorney's office and Finance Department.

I recommend that the Appleton Public Library join the other libraries in OWLSnet and employ a collection agency in accordance to the 2015 Wisconsin Act 169, to recover overdue materials and monies owed in overdue fines and bills for late, non-returned, lost, and/or damaged items.

Paula Wright
Public Services Supervisor