

PROJECT NAME

Accounts Receivable - Operations Division/ Fiscal Section

PERFORMANCE MEASURE BASELINE

- » About 12,000 annual permit invoices sent to regulated parties with payments received and processed by outside vendor generating \$20.5 million in fee revenue
- » \$9.32 unit cost for vendor to process payments; \$112,000 annually
- » 16 days on average for MPCA to receive payment file and update customer accounts.
- » Most customers pay by check

THE IDENTIFIED PROBLEM

- » Incompatible duties: non-fiscal staff able to generate and adjust invoices, or close accounts
- » Vendor: high cost, unreliable service, requires Fiscal staff involvement
- » Lag time between customer payment, payment processing and updating customer accounts resulted in many problems:
 - » Fiscal staff sent late notices to customers who'd paid
 - » Unhappy customers contacted Fiscal to complain
 - » Vendor performance was barrier to Fiscal staff improving customer service
 - » Too much time was spent manually updating, correcting customer account information
 - » Vendor deposited funds incorrectly
 - » Too much time was spent reconciling transactions between systems

VOICE OF THE CUSTOMER

- » Customers want to be confident their account is accurate and up-to-date
- » Customers want to view current account balance online
- » Customers want payment options: check, credit card or e-check

RESULTS

- » New payment processing vendor; unit cost dropped to \$0.30. Annual savings: \$105,000
- » One-day turnaround from payment processing to customer account update
- » Customers view account statement online and choose to pay by check, credit card or e-check
- » Payment by check is imaged and stored in a secure system
- » Reconciliation tasks streamlined

