



City of Bowling Green

Internal Auditor's Office

License Operations Follow-up Audit

Project# 2019-07

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Deborah Jenkins, CFE, CGAP, CICA

Transmittal Letter

TO: Jeffery B. Meisel, City Manager, Ex-officio Member
Jeffrey Stein, Audit Committee Chair
Brian Dinning, Audit Committee Vice-Chair
Vivian Grise, Audit Committee Member
John Ward, Audit Committee Member
Joe Denning, Commissioner and Audit Committee Member

CC: Katie Schaller-Ward, Assistant City Manager/Chief Financial Officer
Sean Weeks, Assistant Chief Financial Officer
David Lyne, Occupational License Manager

Pursuant to the *Charter of the Internal Auditor's Office*, I hereby submit the follow-up report covering License operations. The objective of this follow-up report was to determine if the Office of Occupational License and related staff implemented the five (5) recommendations made in an earlier report, *License Division Operations Audit* (Project# 2014-08, finalized on January 12, 2015). The results of the *License Division Operations Follow-up Audit* have been discussed with management.

Results in Brief

Three (3) of the five (5) recommendations are fully implemented, one (1) recommendation is partially implemented and one (1) recommendation has not been implemented. Completing the implementation of the software system will be a key component in future efficiencies in processes. Staff turnover also affected staff's ability to fully implement processes such as address updates for returned mail, 1099 audits and increasing overall transaction reviews. These processes are developed, but training new employees to take over certain responsibilities and free up time for the Business Tax Auditor and Occupational License Manager should increase their time spent on audits and reviews.

Sincerely,

Deborah Jenkins, CFE, CGAP, CICA
City Internal Auditor

Objective

The objective of the License Operations follow-up was to determine if management implemented the five (5) recommendations made in an earlier report, *License Division Operations Audit* (Project# 2014-08, finalized on January 12, 2015).

Scope and Methodology

The scope of this follow-up audit included occupational licensing transactions from January 1, 2018 through December 31, 2018. To determine the implementation status of prior recommendations, I performed the following:

- Interviewed Licensing Personnel
- Reviewed the original audit report
- Performed test work to determine compliance with various recommendations
- Analyzed the results of the test work performed and discussed results with management

Conclusion

Three (3) of the five (5) recommendations are fully implemented, one (1) recommendation is partially implemented and one (1) recommendation has not been implemented. Completing the implementation of the software system will be a key component in future efficiencies in processes. Staff turnover also affected staff's ability to fully implement processes such as address updates for returned mail, 1099 audits and increasing overall transaction reviews. These processes are developed, but training new employees to take over certain responsibilities and free up time for the Business Tax Auditor and Business License Manager should increase their time spent on audits and reviews.

Previous Observations and Recommendations:

- 1. Business practices should be reviewed by management to ensure that effective transaction audits and process monitoring is occurring in order to streamline work and maximize productivity of License.**

Prior Auditor Recommendation

Management should provide additional resources to properly review and audit the major revenue sources such as wage withholdings, including annual reconciliations, and net profit returns including extensions. If License worked to obtain reconciliations from the non-reporting entities through mailed notices, letters or phone calls, etc., additional revenues could be brought in to the City.

Additional audits and reviews of the other major revenue sources would provide additional compliance and increased revenues. For example, the Business Tax Auditor conducts audits on 15-17% of the Net Profits submitted to the City. If additional manpower could be dedicated to audits, it could easily justify the additional time spent conducting the audits. The table below is an example of Net Profit Audits which shows the potential revenues if additional audits were conducted. The amounts listed below for Net Profit audits, Commonwealth of Kentucky audits and 1099 audits were provided by License.

Net Profit Audits

Fiscal Year	Net Profit Received	Percent Audited	Actual Revenue	Estimated 20% Audited	Estimated 25% Audited	Estimated 30% Audited
2013	6999	15%	\$128,544	\$171,392	\$214,240	\$257,088
2014	6434	17%	\$255,943	\$301,109	\$376,387	\$451,644

Kentucky State Audits

The Business Tax Auditor also reviews reports periodically from the Commonwealth of Kentucky for businesses registered with the State that have operations in Bowling Green. In FY2013, 160 businesses were reviewed, resulting in 59 City registrations, \$2,500 in registration fees. In FY2014, 421 businesses were reviewed resulting in 487 city registrations, \$24,350 in registration fees. Once a registration is completed, the City can collect ongoing net profits and withholdings (if applicable). These reviews should continue or expand if possible to contact new businesses and ensure appropriate registration.

1099 Audits

Another potential audit area identified by the Business Tax Auditor as an area where additional revenues could be found is within audits of 1099's. Limited time as well as software limitations hamper the effectiveness of these audits, but in the 125 total 1099's audited by the Business Tax Auditor in FY2013/2014, 41 new business registrations or approximately 33% of the 1099's reviewed resulted in new registrations.

The amount of staff in Treasury and License has been the same for many years, but the volume of transactions has risen significantly with the growth of the City without significant change in how these transactions are processed. If the City goes forward with the plan of implementing a new software system, processes can be streamlined and additional reviews and transaction audits can be performed in a more efficient manner. Additional staffing resources may need to be dedicated to License to assist while processes are being reviewed and the transition to a new software system is implemented.

Assuming a new system is implemented, management should review staffing levels post implementation to determine if current levels can effectively and efficiently perform the required transactions and appropriate reviews and audits. However, additional resources may need to be permanently dedicated to the revenue collecting processes of the City.

Management should review workflows starting with Treasury through the final scanning process in License to ensure that changes in business information, such as change of address and business closings, are found and entered. Any returned mail should be processed monthly to prevent multiple incorrect mailings.

Prior Management Response

Annual Reconciliations

Under our City Code of Ordinances and State Statute, businesses are required to submit an annual reconciliation of wage withholdings and W2 copies by February 28th to the City. Businesses that had failed to submit the reconciliation were sent a notification letter in previous years through 2011. However, this notification was not sent in 2012 or 2013. The letter has now been sent for the year of 2013 and the process of notification has been reinstated. Scanning records were reviewed on all accounts to confirm actual receipt of the reconciliation. Additional instruction will be given to License and Treasury staff to ensure that the appropriate code is entered to verify receipt of the complete reconciliation. All reconciliations are reviewed by the trained Treasury staff but additional staff time allotted to in depth auditing and additional time in personal contact of accounts failing to file the reconciliation could have potential for additional revenue. A penalty for failure to file the reconciliation is not specifically addressed in the City code.

Returned Mail

License currently monitors the activity of over 10,000 active accounts. These accounts file a combination of returns on Net Profit License Fee, Employee Wage Withholding, Transient Room tax, Insurance Premium, and multiple renewable licenses. Each of these required filings result in form mailings and letters of delinquent follow-up. Businesses failure to give updated mailing addresses or notification of the business activity ceasing results in a massive volume of returned mail. Because the staffing level of License has remained the same for a number of years, the assistance of a temporary employee could assist in reducing the volume of returned mail. Additional instruction will be given to all staff to take notice of any address changes or information provided on the form by the business. When it is adopted, the State-standardized net profit form may have a better location of address changes and other information.

Overall Transaction Auditing and Review

All Net Profit returns and Wage Withholdings are reviewed for correctness of computation and the submittal of the required supporting federal tax schedules. The in depth audits conducted by the Business Tax Auditor have resulted in additional revenue for the City. Again the volume of transactions has risen significantly with the growth of the City while the staffing level has remained the same. If a new software system is implemented, a more efficient manner of processes may allow for more staff time dedicated to audits. Also, Treasury and License workflow will be reviewed to determine if there is a way to give more time for audits of Net Profit returns and 1099's. Under the current city code, the 1099's can be requested from a business. The policy of requiring all businesses to submit their 1099's to the City will be discussed with the Chief Financial Officer.

Current Status: IMPLEMENTED

Staff retirement and illness in 2018, as well as the unexpectedly long implementation process of a new software system, affected some of the improvements within Business License.

Annual wage reconciliation forms were mailed in January 2018 and 2019. Delinquent notices are scheduled to go out mid-year. The Statement Form for 1099 Non-Employee Compensation was added to the City's website, which has increased the amount of companies who self-report without waiting for the mailed notices.

Returned mail backlogged again due to the turnover in staff. A student intern has caught up on returned items through the beginning of 2019 that had previously gone back as far as Calendar Year 2017. The student intern also created a guideline to assist other employees who take over this responsibility that is included as Appendix B. The Assistant City Manager/Chief Financial Officer indicated that returned mail responsibilities would be assigned to the part-time receptionist position as part of their duties when the recently vacated position is filled.

Staff turnover affected the number of selected transaction reviews and audits. The number of reviewed net profits were reported as 374 out of 2,478 received from July 1, 2018 thru December 31, 2018 for a 15% review rate, which is consistent with the percentages in the original audit. The Kentucky State business registration review was conducted in 2017; however has not been conducted for Calendar Year 2018. The Business Tax Auditor requested the new listing from the Commonwealth of Kentucky multiple times via phone and e-mail during the first quarter of 2019, but has not received the listing as of June 2019. Extensive 1099 audits of selected categories of businesses were not performed in 2018, but audits of some individual 1099's were conducted when received with W2's.

As of July 1, 2017, the City is required to accept the statewide standard form for occupational license form under KRS 67.767 (3). The standardized form is substantially different from the local form created specifically for the City's approved taxing structure, which in effect requires License staff to perform an audit to reconcile between the standard form and the City's requirements. Reconciliation audits totaled 596 in Calendar Year 2018 and 572 from January 1, 2019 through June 6, 2019.

2. License should create clearly written policies and procedures to standardize processes, allow for adequate cross training and coordinate work time to ensure citizens can be assisted during all the City's posted working hours.

Prior Auditor Recommendation

Standardized written policies and procedures should be created. Once they are created, training should be provided to ensure staff is processing transactions in a consistent manner. Cross training is very important to ensure that duties can be performed in the event that a key staff member is not available. In the event of a long illness, termination or retirement, the remaining staff should have written procedures in place so another staff member can resume the duties.

Management needs to review the duties assigned to each staff member and ensure that adequate backups are trained to assist when needed and that staff schedules are coordinated to ensure proper office coverage for all posted business hours.

Prior Management Response

Chapter 18 of the City Code of Ordinances provides the authority and regulations that License enforces. Different issues arising such as changes in the City code, tax rates, different types of license, and changes in federal tax laws affecting the City net profit return require policy discussion and implementation training with License. This training is provided through staff meetings, e-mail directives, and letters of direction from the City Attorney. On processes that can be standardized, documents have been developed. These documents will be updated and compiled in a manner easily accessible to the department head. A review of these procedures will be conducted with the staff to ensure consistency.

The Occupational License Manager and Business Tax Auditor have received extensive training from the State Alcohol Beverage Control on completing the State application for the selling of alcohol. Both the City and State alcohol license applications can be accessed on our City website, completed by the applicant and submitted to the City ABC Administrator for approval of both City and State applications. However, because of the complexity of the State application and the scrutiny of the application by the State, a great deal of time and effort is spent by the License staff in assisting applicants with the completion of their State application. Cross training will be given to additional License staff to enable them to print off the alcohol applications. The City's ABC application is a simple generic one-page form, not requiring any staff assistance. However, if the citizen needs assistance completing the State application, they can schedule appointments with the License Manager or Business Tax Auditor for assistance.

Current Status: IMPLEMENTED

Several changes occurred within the Finance Department since the original audit. Consolidation of several positions into "Financial Specialists" and cross training between those Treasury and Business License positions set clear lines of responsibility as shown in Appendix A. The organizational structure was updated in 2018 to create a Revenue Division that encompasses Treasury and License. In addition, they created various "Process Instructions" to standardized processes such as:

Instructions for Credits
Annual Reconciliation Instructions
Response to Walk-In Client
Return Mail Process
Refund Invoice Entry Instructions
Business Registration Entry
Alcohol License Renewal Process
Closing Account Process
Tow Truck License Renewal Process
Consignment Shop License Renewal Process
JDIP Credit Filing Instructions
Instructions for File Maintenance AR

Lunch times are staggered to ensure coverage, which was challenging in 2018 due to two retirements, but new hires are in place and are training at this time.

3. Management needs to create appropriate performance measurements to increase the timeliness of operational processes.

Prior Auditor Recommendation

Management should review the various processes and establish appropriate performance measures for each process. There should not be such a high variance in the time a transaction is processed based on how the transaction is submitted. License provides great customer service to citizens who physically come into the office; however, the stacks of transactions that go unprocessed for several weeks are not appropriate.

The use of received stamps should be enforced to document when the application or return was received.

Once appropriate performance measures are created, management must appropriately oversee and manage the process to:

- Establish expectations for customer service regardless of the method submitted.
- Provide assistance when needed and prevent backlogs during heavier work load times.
- Hold employees accountable of their performance.

Prior Management Response

Individual performance measurements are set for the different job duties performed by the License staff. The measurements are monitored by the License Manager throughout the annual review period. These measurements will be reviewed by Management for developing additional key performance measurements for reporting in the City's Annual Operating Budget.

License will continue its practice of aligning lunch hours for coverage to the citizens during any work hours with a goal of responding to a client within five minutes of notification. A backlog of business application entries can occur when additional information is needed for the complete processing of the application. The same backlog can occur when forms requesting refunds or credits are submitted incorrectly or without proper documentation. The implementation of a new computer software system may improve this process.

Current Status: PARTIALLY IMPLEMENTED

The Assistant Chief Financial Officer (ACFO) does monitor and review customer wait times to ensure that the goal of responding to a client in five (5) minutes of notification from the front desk. The ACFO provided the most recent review, which showed that the average wait time was five (5) minutes with the average visit time with each citizen lasting thirteen (13) minutes.

The received stamp is not used consistently for mailed and faxed forms, which limited audits ability for a full test of times. A sample of twenty-five (25) mailed new business registrations were tested and only eight (8) contained a received stamp. The received stamp is the only current way to track how long it took staff to create the new business registration. From the eight (8) forms containing a received stamp, the average days to create the new business registration was six (6) days verses the (20) business days in the original audit.

Management is continuing to identify performance measures and the Fiscal Year 2020 performance measures are included in Appendix C.

4. The software solution currently utilized should be replaced with a more robust system, which integrates with the City's financial software and allows for electronic submission of applications and payments.

Prior Auditor Recommendation

Management should ensure that a software system is implemented to replace the existing BOLT software. There has been a budget to replace BOLT in some capacity since Logos was implemented in FY2007/2008. During the economic downturn, replacing this system was moved down the priority listing. However, additional funds were added in the 2014/2015 Fiscal Year for replacement of this system.

Management needs to decide how to handle the known variance so that when a new system is implemented, the data converted is correct data and reconciles accurately to the financial software system.

The replacement software should allow for online application and payment for citizens and businesses. Allowing for online submittal will greatly impact the work flow of License by:

- decreasing the amount of manual data entry currently required by staff,
- reducing the risk of keying errors or missed items such as change of address or ceasing of business activity,
- automating calculations for the businesses,
- speeding up the collection process; and
- freeing up substantial time for employees to increase their review and auditing of returns submitted.

Prior Management Response

The BOLT (Business Occupational License and Tax) system has been developed for Bowling Green's occupational taxing process as needed at its implementation in 1994. This system does not have the ability to integrate with the City's financial software or the ability to allow for online applications or payments. Since occupational taxes and net profit license fee returns are unique to a small number of governmental entities in the U.S., the BOLT program was a custom software development. It is expected that the development of a new system will also require a large amount of custom development. License staff is currently working on the preparation of the RFP to be sent to software companies with the hopes of finding a company that can meet our current needs and expanding upon additional needs and opportunities.

Current Status: NOT-IMPLEMENTED

A Request for Proposal (RFP) was offered and a vendor was selected with a contract signed on February 2, 2016. The proposed timeline was approximately eight (8) months according to the proposal submitted. Since that time, the Information Technology Department and the Finance Department have been working with Harris Govern Software solutions to implement this software. Unfortunately, as of March 2019 the software has not been implemented. The City has paid a total of \$297,820.91 for services related to this software replacement, yet due to contract interpretation disputes, turnover in Harris Govern staff and customization needs, staff estimates it will be early spring 2020 before the system will go live.

Cases were submitted through Harris software support portal with most configured as of late May 2019. According to the most recent update from Finance and Information Technology Departments, a testing phase has commenced to review the account structure, registration and Net Profit forms and screens to determine viability of updates. A new conversion of data is scheduled to occur in June 2019 to ensure data is being populated in the proper place with testing to follow. The City's portion of the configuration is tentatively set to begin in mid-July of 2019.

5. Management should ensure that all PCI (Payment Card Industry) Standards are being met with any credit card payment received by License.

Prior Auditor Recommendation

License and the Finance Department should require the destruction of all credit card information as soon as the transaction is processed and actively monitor to ensure full compliance. Management should also work with the Information Technology Department to ensure that the City is in full compliance with PCI and any other related standards that could put the City at risk.

Periodic refresher training should be conducted with all staff to reinforce the importance of protecting confidential and sensitive information since License and Treasury staff routinely work with this type of information.

Prior Management Response

The staff of License, Treasury and especially the License Associate that conducts the scanning of all documents has been refreshed on the training to delete all credit card information before scanning occurs. The scanning is only accessible by the Treasury and License staff but pursuant to the meeting with the Information Technology Department procedures were implemented to comply with PCI standards and no credit card information will be scanned.

Current Status: IMPLEMENTED

Updated City application forms are now in use, such as Business Registration and City Employee Withholding forms, which moved any credit card information from the back of a form to its own page. This allows staff to shred the page as soon as the payment is processed which minimizes the risk of scanning credit card information into the system. A sample of credit card payments were tested and no credit card information was found within the scanned documents.

Management sent out periodic refresher e-mails to ensure that card information is shredded and that no card information is stored. Management provided an example of a refresher e-mail. In addition, the part time employee responsible for scanning performs a final review to remove any missed card information prior to scanning.

Appendix A

FINANCIAL SPECIALISTS' ASSIGNMENTS

P = Primary responsibility B = Backup responsibility

632691

Alix Nicole Esther Meghan Jessica Amanda

Notes

	Alix	Nicole	Esther	Meghan	Jessica	Amanda	Notes
1 Switchboard coverage (if Office Assts and interns unavailable)	B2	B6	B5	B4	B7	B1	B3-Brenda
2 Business registrations	B	P	B	B	P	B	
3 Counter collections-prop tax, alarm perm, Bus. Reg., cc pmts	B	B	B	P	B	B	
4 Checking A/P batches/invoices	B	B	P	B	B	B	
5 Mail distribution	P	B	B	P	B	P	
6 Daily entry of w/h & NP returns, & banking trips	P			P		P	
7 BOLT maintenance (name/address changes & closures)	B	B		B	P	B	
8 Lockbox receipt processing	P					B	
9 Code Enforcement billings	B			P			
10 BOLT adjustments/refunds	P			B			
11 Creation of Transient Room tax & Ins. Prem. Tax returns	P			B			
12 TIF spreadsheet-entry of prop tax	P					B	
13 Extension processing & estimated payments		P			B		
14 Problem NP returns		B				B	Jennifer is primary
15 Delinquent notices for W/H and NP (01 & 03)		P			B		Office Asst-stuffing/ mailing
16 Transient Room tax notices		P			B		Office Asst-stuffing/ mailing
17 Delinquent notices for no file (08) for W/H and NP		P			B		Office Asst-stuffing/ mailing
18 ITA wage return creation		P				B	
19 Creation of occ tax returns in BOLT with David		P				B	
20 Annual wage reconciliations	P			P		P	
21 Problem annual wage reconciliations		P				B	
22 BOLT maintenance (addtl info needed, contact needed)		P			P		
23 A/P invoice entry (includes agency appropriations, etc)			P	B			
24 Employee travel processing			P			B	
25 Weekly transfers for Claims & Payroll			P	B			
26 Pcard processing-checking invoices vs cc statement			P	B			
27 Scanning of all invoices mailed directly to Finance to depts	B		P				
28 Purchasing for Finance department			P			B	
29 AP & Section 8 check stuffing	B		P	B			Office Asst-stuffing/ mailing
30 Check monthly financial reports (subledger to B/S)			P			P	
31 Attach images to Finance Import AP batches (BGMU, Pcard)		B	P				
32 Respond to property tax calls & emails	P			P		P	
33 Alarm permit creations	B			P			
34 Parking ticket bill creation	B			P			
35 Processing of payments received in mail				P		P	
36 Return check pursuance & monitoring	B					P	
37 Monthly/quarterly A/R billings	B			P			
38 Bankruptcy claim filings					B	P	
39 Review & Approval of bldg/elec permits for delinq prop tax	P			P	B		Alix check AM. Meghan check PM.
40 Customer walk-ins		P-2			P-1	B	
41 Process problem W/H from lockbox (without acct #s, etc)		B			P		
42 Respond to occ tax delinquent notice calls		P			P	B	
43 Search for unregistered businesses		P			P		
44 Assist customers with completing NP return forms		P			P	B	
45 Collection adj/refunds of W/H and NP's		P					Jennifer is backup.
46 Invoice processing for refunds (new vendor requests)		P	B				
47 Run monthly financial reports (match subledgers to B/S)			B			P	
48 Key Journal Entries	P					P	Fiscal year end split years. Alternate during busy times.
49 TIF spreadsheet entry - NP's and W/H	B					P	
50 New vendor License compliance		P			B		

Appendix B

The following steps are what I found to be most efficient in finding new addresses. I encourage you to take a look at these steps and improve upon them for the next individual who has this position.

Steps to organizing/finding new address of businesses

1. Alphabetize all letters in the bin, this allows you keep all the notices from the same business together (even if the mail was returned back to the office at different times). I suggest to paperclip these notices together.
2. Open up the Net Profit (NP)/Wage Return (WR)/Annual Reconciliation (AR) letter and enter the account number into KVS by first *logging in, clicking "F1=File Maintenance", selecting "Account Number" under "Direct Key Access" and typing it in.*
3. Simultaneously, type the account number into OnBase under "Custom Queries" and select the tab "Finance-Licensing – Accounts" (OnBase requires you to type "-000" part of the account number for an accurate search unlike KVS).
4. See if the address on KVS is the same as the address on the envelope. If not, check the "memo" tab in KVS to see if the address had been changed recently. Be sure that if the Net Profit address and a Wage Return address are different, you are checking the appropriate one. Sometimes businesses will have several different addresses on file and only one will be incorrect. Typically though, you will be changing the "General Mailing" address.
5. If OnBase has a return on file that corresponds to the notice you're sending (Net Profit, Annual Reconciliation, etc.) Click the scanned document to see the address put on the form. If this address is different than the one on KVS, ensure it has been used more recently than the address on the envelope or states that they are at this new location. **This is how you will find most address changes.**
6. Once you have a new address for the business, write the new address on the outside of the envelope and put it into a stack. In KVS, Double-click onto the address you wish to update and replace the old address with the new address. Also, enter a memo onto KVS stating, "*Address updated from (Enter old address) to (enter new address) per (`17 Net Profit on file, return mail, phone call, letter, or however you found it)*". Then Initial the Memo before entering. For an example use Account Number 124328-000.
7. If OnBase has no scanned documents, and KVS states that the address is still the same as the return mail, scroll down to the business owner's name and call their phone number on file. If they do not answer, leave a voicemail and write down the last 4 digits of their phone number along with their name at the top of the envelope and set it aside. This way when the business owner calls back, you will have their information and account number readily available.
8. If the number you called is out of service, incorrect, or unavailable, write at the top of the envelope why you couldn't contact them. Example: "Unable to Contact- Disconnected Phone number". These will require more intense searching which is best done at the end of every 1-2 weeks. I recommend dedicating at least one work day (if necessary) to finding these accounts. The returns or notices are sent on a monthly, quarterly, or annual basis so it is important to recognize the precedence in which the accounts should be searched: monthly, quarterly, and then annually. This is to prevent our department from receiving the same return mail month

after month. Wage Return (WR) will be Monthly or Quarterly, whereas Net Profits (NP) and Annual Reconciliation (AR) are on an annual basis.

9. For these accounts that are difficult to update, I recommend using websites such as <https://www.whitepages.com>, <http://www.warrencountyjail.com>, www.google.com, <https://www.bgky.org/contractorslicensing/search> or www.facebook.com to search for the business or business owner that might lead to an updated phone number or address.
10. Once you've gone through a full alphabetical letter, you should have two stacks. One "unable to contact" stack that you couldn't find a change of address for, and another stack with new addresses on them. Place the "unable to contact" stack into the corresponding bin. These will require a further look from a superior in order to deem them "uncollectable". As for the new addresses, pull up *Microsoft word*, click *mailing, envelopes*, and type the new address for the business. Put blank envelopes into the printer (it can only hold about 6 at a time) and print the new addresses. Fill these new envelopes with the notice (NP,WR, or AR) from the old envelope and mail it out.

Appendix C

Departmental Performance Measurements

Goal #1: *The proper collection and safeguarding of City funds with emphasis on internal controls and procedures.*

Objectives: 1.) Administer an effective property tax collection system; and,
2.) Administer an effective system for the collection of occupational license fees.

In order to achieve the above stated goal and objective, the Revenue Division will continue collecting property and occupational tax receipts within the stated regulatory deadlines.

Performance Measures	Actual FY17	Actual FY18	Estimated FY19	Proposed FY20	Desired FY20 Range
Percent of property taxes collected within 6 months of due date	98.2%	97.1%	97.0%	97.5%	97.0% - 100%
Reduction in the number of unpaid prior year property tax bills over \$1,000	24.3%	37.9%	30.4%	30.0%	27.0% - 33.0%
Percent of withholding fees collected within 45 days of the due date	97.0%	95.9%	97.4%	98.0%	97.0% - 100.0%
Occupational fees delinquent notices sent	10,047	9,628	10,518	10,000	9,500-10,500
City revenues collected through additional efforts of License staff	\$790,000	\$1,527,500	\$906,500	\$950,000	\$650,000-\$950,000

The measures documenting property tax collections represent the effectiveness of Treasury staff with collecting one of the City's most important revenue sources, property taxes. **Our goal is to work toward 100 percent of property taxes collected within 6 months of the due date.** To achieve this, staff will continue to pursue delinquent property taxes aggressively via delinquent statements and the threat of foreclosure, as necessary, to collect the delinquent taxes. The desired FY2020 range of 27%-33% for the collection of unpaid prior year tax bills over \$1,000 accurately reflects this measurement focus by using the collection efforts mentioned.

The performance measure presenting the percent of withholding fees collected within 45 days of the due date represents the effectiveness of Licensing staff in billing and collecting withholding taxes, the City's largest revenue source. **Our goal is to increase the percentage collected within 45 days of the due date from year to year.** To achieve this goal in FY2020, staff will continue to communicate with businesses and individuals to educate all payers on deadlines and other occupational withholding regulations. This will be achieved through the annual tax preparer's letter and, if applicable, delinquent filing and payment notices. Additional collections through site inspections, audits, and payment plans vary year-to-year, while the desired range for FY2020 is between \$650,000 and \$950,000.