

MUNICIPAL QUALIFICATION CERTIFICATION

I certify that my organization qualifies as a Municipality under the definition provided for in K.S.A. 75-6202(h), and amendments thereto:

“Municipality’ means any municipality as defined by K.S.A. 75-1117, and amendments thereto, or any community mental health center organized pursuant to the provisions of K.S.A. 19-4001 et seq., and amendments thereto, and licensed pursuant to K.S.A. 39-2001 et seq., and amendments thereto, or any mental health clinic organized pursuant to the provisions of K.S.A. 65-211 et seq., and amendments thereto, and licensed pursuant to K.S.A. 39-2001 et seq., and amendments thereto.”

Signature

Date

Name (Printed)

Title

MUNICIPAL AGREEMENT
STATE OF KANSAS SETOFF PROGRAM

NOW on this _____ day of _____, 20____, this agreement (“Agreement”) is entered into by the Accounts Receivable Setoff Program, Department of Administration, State of Kansas (“State”) and _____ (“Municipality”).

The Municipality desires to enter into this Agreement for the purpose of utilizing the debt setoff procedures provided for in K.S.A. 75-6201, *et. seq.* Upon execution of this Agreement by both parties, and upon compliance with the terms stated in this Agreement, the State agrees to allow the Municipality to begin utilizing the State of Kansas Debt Recovery System database (“KDRS”).

TERM OF AGREEMENT

This Agreement shall be in effect beginning _____, 20____ until termination.

TERMINATION

Either party may terminate this Agreement, without cause, upon 30 days written notice to the other party. Upon termination pursuant to this paragraph, the State shall pay the Municipality any monies held by the State for the Municipality pursuant to the terms of this Agreement. Upon termination of this Agreement pursuant to this paragraph, the Municipality agrees to pay the State any fees owed to the State as of the date of termination.

COLLECTION FEES

The State shall be entitled to a 19% collection fee for all monies collected on Municipality debts submitted by interface or other electronic medium acceptable to the State, with accompanying social security numbers (“SSNs”) or employer identification numbers (“EINs”). The State shall be entitled to a 24% collection fee for all monies collected on Municipality debts without accompanying SSNs or EINs, regardless of any subsequent re-entries of the same debt into the KDRS database. The State shall place the collection fee on top of the uploaded debt balance and net out its collection fee from collections made through the Setoff Program.

The State will transfer funds collected on debts to the Municipality on the 1st and 15th of each month net the collection fee retained by the State.

DEBT SUBMISSION REQUIREMENTS

When submitting a debt to the State, the Municipality shall submit to the State such data as the State may prescribe, in a form acceptable to the State. The Municipality shall provide, at a minimum, first and last name of the debtor or full name of the business, agency account number, a 25 character description of debt (e.g., parking fine, library book fine, property tax debt), and the current dollar amount of the debt (including late fees, interest, etc, but **excluding Setoff collection fees which will be added automatically once the debt is uploaded to KDRS**). Municipalities are strongly encouraged to also include the SSN or the EIN of the debtor. In the event a municipality submits a debt without an SSN or an EIN, the municipality must include additional information such as last known address, date of birth, driver’s license number and/or spouse’s name to enable the State to research and identify the SSN or EIN for the debtor. In addition, the Municipality shall certify that the debt is past due, in an amount equal to or greater than \$25, and at least three documented attempts have been made to collect the debt prior to its submission to KDRS.

ACCOUNT ADJUSTMENTS

The Municipality agrees to update the debt balance in KDRS immediately when a debt has been settled through payment in full or compromise, or when there has been a change to the debt balance (including, but not limited to, when a payment has been made directly to the Municipality or debt interest accumulations). The Municipality agrees to review all debt balances each calendar year. Upon notification via Creditor Agency Notice of Intent (“CANOI”) email that a match has been made against a debt owed to a Municipality, the Municipality has until 1 pm the same business day to verify the validity and accuracy of the debt in KDRS so that the notice mailed to the debtor is accurately reflecting the current debt balance. If the debt is valid and accurate, no action needs to be taken by the Municipality in KDRS. If the debt is invalid or inaccurate, debt balance adjustments shall be made in KDRS. In the event the 1 pm deadline on the first business day is missed, the Municipality has until 1pm the following business day to make necessary debt balance adjustments in KDRS. In this event, while KDRS will collect the correct amount, the notice mailed to the debtor will be inaccurate. For a detailed guide on how to complete these actions, see user manual in KDRS.

DECERTIFICATION OF DEBT

The Municipality may, at any time, decertify any debt previously submitted to the State. The Municipality shall decertify immediately any debt which has been compromised or paid in full. When debts are decertified subsequent to a match being made by the State against a payment in process, the Municipality shall provide a brief explanation as to the reason for the decertification in the ‘request adjustment notes’ box on the debt balance adjustment request page. The Municipality is not required to explain the reason for decertifying a

debt which is unmatched. If the municipality is unable to decertify a debt before the NOI is sent to the debtor, the Municipality has until 1 pm the following day to decertify the debt balance before the setoff order is complete which will prevent the final setoff from occurring.

BANKRUPTCY PROCEEDINGS

The Municipality agrees to immediately update the KDRS system upon receiving notice of any bankruptcy proceedings related to any of its debts that are in the KDRS system. If the State is made aware of any pending setoff collection that is subject to an automatic stay under bankruptcy procedures, the State will reverse the pending setoff collection and update KDRS to note the bankruptcy.

COLLECTION AGENCIES

If the Municipality chooses to utilize a third-party to manage debt collections through the KDRS system, the Municipality must supply the State with written consent and contact information for the third-party entity.

SUBMISSION AND RETURN OF ACCOUNTS

For accounts which are submitted by the Municipality without a SSN or EIN, the State will use its resources to determine the debtor's SSN or EIN. In cases where such an identifying number is not found, the account will be returned to the Municipality by deletion from KDRS. The State reserves the right to refuse or return accounts at any time, without cause. The State will not accept from the Municipality debts of the State or any State agencies or of other municipalities, except as may be specifically allowed by law.

SETOFF APPEAL PROCESS

The Municipality acknowledges that the debtor may request a hearing to determine whether the debt claim is valid as provided for in K.S.A. 75-6207. The State utilizes the Office of Administrative Hearings to conduct the hearings. If the Municipality fails to appear at an OAH hearing, the Municipality will be charged the formal hearing fees.

CONTACT INFORMATION

The Municipality agrees to keep all contacts and user profiles current with the State. This includes the addition of users for new hires or new setoff responsibilities and deletions when users are terminated or no longer have setoff responsibilities.

For purposes of communication between the State and the Municipality in regard to debts submitted by the Municipality, the respective contact people are as follows:

Municipality Contact Information:

General Contact (Internal State use only for escalations): _____

Mailing Address: _____

City: _____ State _____ Zip _____

Telephone Number: _____ Fax Number: _____

Email Address: _____

Notification Contact (Given to public for debt questions): _____

Mailing Address: _____

City: _____ State _____ Zip _____

Telephone Number: _____ Fax Number: _____

Email Address: _____

Fund Transfer Contact (Internal State use only for questions about fund transfers):

Mailing Address: _____

City: _____ State _____ Zip _____

Telephone Number: _____ Fax Number: _____

Email Address: _____

State Contact Information:

Setoff Program Contact (For all inquiries related to the Setoff Program):

Telephone Number: (785) 296-4628

Email Address: KSSetoff@ks.gov

Fax Number: (785) 296-1477

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Accounts Receivable Setoff Program, Kansas Department of Administration,
State of Kansas

By: _____

Title: _____

Municipality: _____

By: _____

Employer's Identification Number (FEIN): _____