

WHAT TO EXPECT WHEN YOU'RE USING TACS TO COLLECT

On behalf of the partners and staff of TACS, we look forward to the opportunity to work with you and your locality to meet your collection needs and achieve your collection goals.

The information in this guide is intended as a general overview of how the collection process works at TACS. Many of your questions will be answered here, but we anticipate that you will have additional questions along the way. We will be providing more detailed guidance and training at appropriate intervals as you enter each new phase of the collection process.

The logo for TACS, featuring the letters 'tacs' in a bold, green, lowercase sans-serif font. The 't' and 'a' are connected, and the 'c' and 's' are also connected.

FILE ACCEPTANCE



Our IT staff will work with you to generate a computer file for submission to TACS. That file will typically be placed on our secure FTP site using a password and user ID that we have assigned to you. For security purposes we would prefer not to receive these files via attachment to an e-mail. Once we receive the file, the TACS IT Department will ensure the file is scrubbed, formatted and ready to be loaded into our Collections system. It can take a little time to program for your initial file and to ensure everything is loaded properly. Please be aware that we will not immediately be able to handle inquiries or calls about accounts as soon as you send the file. We will communicate with you once it is appropriate to start referring customer calls and inquiries to TACS.

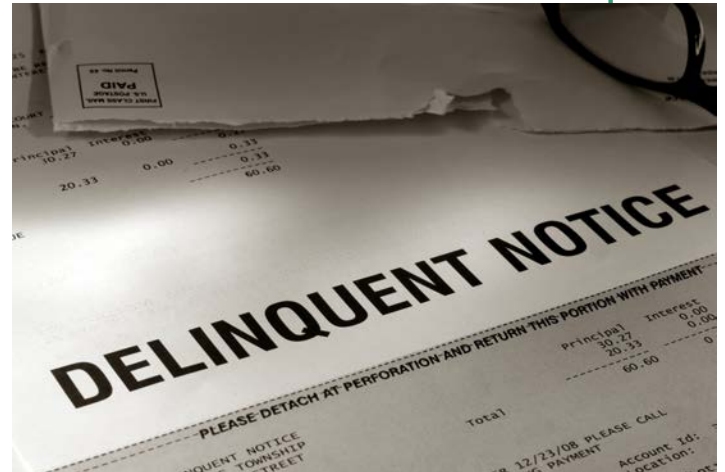
We do our best to roll out new accounts as quickly as possible. We do take our time to ensure that the data that we load is correct before any letters are generated. This is an important quality control check that is necessary for us and for you. To minimize errors in balances and account information, we only work with electronic files. If you need to place specific accounts for collection, please let us know and we will work with you and your software to allow these accounts to be placed in a uniform fashion. We also require that any amounts assigned for collection be in a file that comes from your collection system. It becomes impossible to track charges such as DMV Fees or Admin Fees if they are not in the system of record.

We will also make arrangements on how to handle any payments that are received during the file posting and transition period. We will make sure to get an updated file from you so that any of these transitional payments are properly accounted for.

DELINQUENT NOTICES

Once the accounts are loaded, we will try to verify balances with you prior to mailing notices. When we are comfortable that our information is in sync, we will mail an initial letter to the primary address and primary debtor name on the account. Depending on the size of the file and mailing, we may break up the mailing over several days to ensure that our office, your office and the Commissioner of Revenue's office are not overwhelmed. Our initial letter in the series is sent with a due date of two weeks to see if the customer will call in to pay in full or set up a payment plan. If there is no response, a second letter is sent that explains what can occur should a taxpayer not pay on the account.

When mail is returned to our office, we code the account with a "bad address" indicator. We will then utilize tools to locate a new address to resend the letters. We can also find possible phone numbers for our office to try and contact the taxpayer.



**We implement
detailed
automated and
manual skip
tracing on all
mail-return
accounts.**

PHONE CALLS

We have several different call queues that handle different types of calls depending on the type of debt or action that has been taken against their account. Here is a listing of the queues

Main Collections Queue- This our main contact line in which the taxpayer can discuss payments, payment plans, DMV stops and general questions or disputes.

Lit/Legal Queue- These calls are sent to representatives who handle questions concerning Summonses, Judgments, distress, or pre-litigation (pre-sale) accounts.

FDCPA/Fines Queue- This group will handle any consumer debt calls such as utilities, water/sewer, miscellaneous debt other than taxes and court charges.

Liens Queue- These representatives take calls concerning recent bank or employer liens that have been issued by TACS



**We operate from
8:30 to 6:30
Monday through
Friday except for
holidays.**

We can be reached at (804) 545-2500 and at questions@taxva.com for tax accounts and at (804) 548-4422 and bills@taxva.com for utilities and other non-tax accounts.

PAYMENT PLANS



At TACS, we will work with your debtors to make appropriate payment agreements that are designed with your consultation to assist them in paying the bill. When the debtors enter into an appropriate payment agreement, they are protected from collections as long as they remain current on their payment plans. Should they default, we will ask for the balance in full and we will continue with collections such as liens or legal action. Our typical agreement terms (for accounts other than real estate) are as follows for account balances over \$500:

1. We will ask for a 50% down payment and we will then enter an agreement that can be spread out up to 12 months.
2. If the taxpayer is unable to pay 50% of the debt, we will offer a payment plan with 25% down with the balance to be paid in full within 6-8 months.

If the taxpayer cannot meet these expectations, we do not offer them a formal arrangement, but we will allow them to make payment with a "promise to pay." This does not secure the account, and taxpayers are informed that collections can happen at any time, but it does give the taxpayer an option to pay something.

We will accept all frequencies of payment plans from monthly, weekly or bi-weekly, and we are able to set up an auto draft either by check, debit or credit card. This also can be done for a promise to pay.

We will work with your taxpayers to find a payment arrangement that works for them while securing the debt

DMV STOPS

When it can be determined that a DMV stop is on the account, our collectors will send an e-mail to the locality advising them the bills that have been referred to us by the county have been paid. You can designate who should receive this e-mail and we can create a distribution group for your locality.

In this communication, we will inform you how the payment was made, but you will not receive the actual payment until the regular remittance for that week. Some of the customers we will report to you have paid by check and it is in your discretion whether to release the stop. We will only email you about payments made where there is a stop involved on the account or where the taxpayer advises there is a stop. **We will not email about regular payments or if the taxpayer does not tell us there is a stop. If you need to know about a payment so you can take payment on the current year taxes, you may call us on the supervisor line at 804-893-5116 or you can email us at super@taxva.com.**

TREASURERS' LIENS

If we do not get a response to our notices and telephone calls, we will look for other ways to collect the account, including the issuance of a Treasurer's Lien according to parameters you have approved. Before a lien is issued on an account we have already sent letters, made calls and skip traced for better addresses.

The two most common types of liens we will issue on your behalf are a VEC/Employer Lien and Bank Liens. We will discuss the parameters for lien use in our initial meeting with you. Unless otherwise instructed, we will issue Employment Liens (for taxes) for 100% of a person's disposable income. We do offer the ability to create a payment plan though the lien so all 100% will not be deducted in one paycheck. The taxpayer will have to contact us so we can discuss the arrangement and properly inform their employer of the change.

FDCPA

(FOR COLLECTION OF SOME NON-TAX DEBT)



What is FDCPA? It stands for Fair Debt Collections Practices Act which governs the collection of consumer debt. TACS does collect consumer debt for some localities such as utilities and miscellaneous charges that are not tax related as well as trash and solid waste fees. For these accounts, we have designated a separate team with a separate call group to ensure we are abiding by the FDCPA laws when taking calls in the office or making calls out. We train our representatives to handle this work in compliance with the law and under the proper standards.

Because the FDCPA (non-tax) accounts are subject to different standards, we may be required to treat them separately from tax accounts which may be owed by the same debtor. While we would make every effort to advise a taxpayer of all of their delinquencies, we may not be able to collect everything at the same time.

Under the FDCPA, the consumer must be given 30 days to contest the debt. If they do contest the debt, we are unable to take further action until the debt is verified. To verify the debt, the locality will need to provide confirmation that the amount is due, along with any documentation to show the amount is due. Once the debt is verified, we will advise the consumer that the debt has been verified and that collections will resume. A copy of the verification letter is attached. It is helpful to the process if the locality can provide a specific contact(s) for FDCPA disputes and verifications.

LEGAL ACTION

In the event an account is not collected by the above means, TACS has other paths to pursue to bring a taxpayer into compliance.



SUMMONS

TACS can issue Administrative Summons (per Code of Virginia §58.1-3128) to have taxpayers and other parties produce documents and answer questions about the unpaid tax liability. This action often generates positive responses as we use the local sheriff to serve the Summons documents.

GENERAL DISTRICT COURT

If the plethora of administrative remedies are not successful, TACS' Legal Team will prepare and file suit against non-compliant taxpayers. In addition to serving as its own collection tool, by serving the court papers on the debtor, the court suit can result in a judgment impacting the debtor's credit and extending the time limitation for collection.

OTHER ACTIONS

The TACS Legal Team can also investigate and pursue other means of collection. Some of these other actions include Responsible Officer Assessments, Site Visits, Distress (either notices or actual seizure), and Circuit Court.

BANKRUPTCY

During the collection of a delinquent account it is not uncommon to encounter a debtor filing bankruptcy for outstanding liabilities. Once TACS receives notice of a bankruptcy case we will immediately flag the account in a bankruptcy status. This prevents any collection action from happening on the bankrupt debtors and deters any violation of the stay. We will also notify your office of the bankruptcy filing with the relevant particulars.

The account once flagged is reviewed every three months during the duration of the bankruptcy case. TACS reviews the account for discharge, dismissal or termination, so that once the bankruptcy is complete collection can resume, and any debt that should be discharged from the account will be taken off. TACS will notify the locality upon finding any bankruptcy case has closed, as well as providing information on any debt that should be written off.

TACS also offers more advanced services on bankruptcy cases for an additional fee, including claim filing services, trustee payment reviews, and legal services should the bankruptcy case require them. We will file the claim prior to the government bar date for the debtors under bankruptcy, including all debt at TACS as well as any still at the locality to ensure the balance is paid in full through the case. Please contact us at bankruptcy@taxva.com for more information.



PAYMENTS

TACS PAYMENT OPTIONS

Payments can be made to TACS in many ways. The customer can mail a check or money order, can call in and pay with an E-check, debit, or credit card, or they can pay with those options on-line through our website. We also have the ability for them to use a barcode that can be texted or emailed, and they can go to any CVS, Family Dollar or 7-11 store to pay with cash.

PROCESSING PHYSICAL PAYMENTS

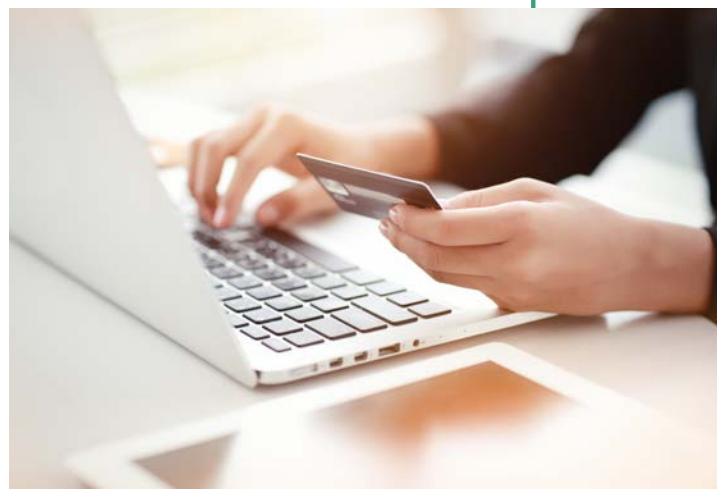
Although we can process payments made out to our office, customers should make checks or money orders payable to the locality not to Taxing Authority Consulting Services, P.C. **We do not accept any walk-in traffic to our Henrico or Martinsville offices.**

PAYMENTS RECEIVED BY USPS

Mail is picked up from the post office every day. Under normal circumstances, payments are posted within two days of receipt. We scan in the payment, the envelope, and any accompanying documents that came with the payment.

If payments are received in your office for delinquent taxpayers assigned to TACS, please contact super@taxva.com to make sure we still have a balance and to obtain a TACS number to forward any payments received at your office for delinquent taxpayers turned over to us for collection.

If you are able, please block taxpayers who have been turned over to TACS for collection from paying through your online sites. If you cannot block them, you should place a notice on your site that additional fees may apply.



PROCESSING ELECTRONIC PAYMENTS:

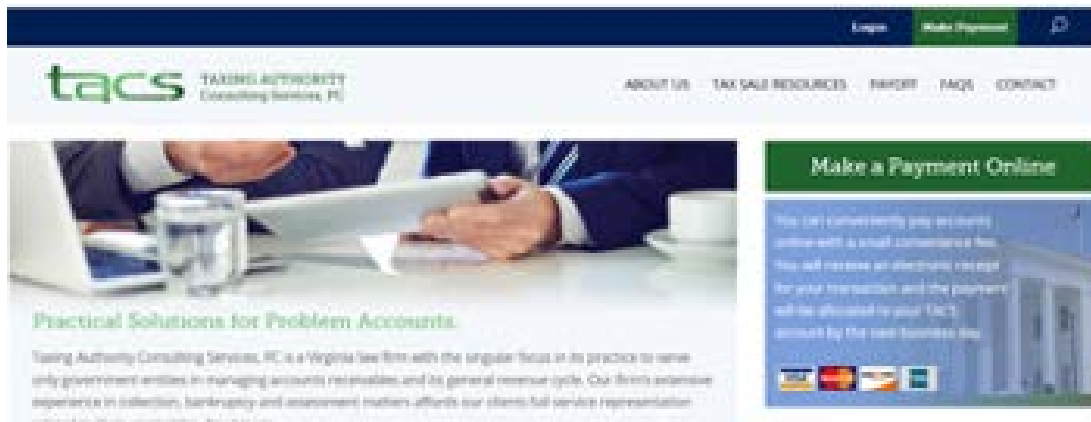
If a taxpayer wished to pay using a debit or credit card or e-check through Pay-Near-Me, they will be charged a convenience fee. There is a 3% fee charged for all debit and credit card transactions which is based on the transaction amount.

To use an e-check there is a flat \$3.00 fee for transactions up to \$55,000.00.

The convenience fee for cash payments is \$3.99 per transaction and the most that can be paid at one time is \$1,000.00. The daily limit for cash payments is \$2,900.00.

If the taxpayer wants to pay with debit or credit, through Official Payments, there will be a 3% convenience fee based on the transaction amount. If you are making an ACH/E-check payment using Official Payments, the convenience fee is \$3.00 up to \$15,000.00 and greater the fee increases to \$15.00.

Our Accounting staff will receive notification the next day of any credit/debit/or e-check payments made by the web or by the Collection Representatives from the previous day. If the transactions are taken on a Friday, Saturday or Sunday the notifications are received on Monday. The Accounting Representatives will post the payments the day the report is received.



The image is a screenshot of the TACS (Taxing Authority Consulting Services, PC) website. At the top, there is a dark blue navigation bar with links for 'Login' and 'Make Payment'. Below this is a white header area with the TACS logo on the left and navigation links for 'ABOUT US', 'TAX SALE RESOURCES', 'REPORT', 'FAQS', and 'CONTACT' on the right. The main content area features a large image of a person's hands using a tablet. To the left of this image is a section titled 'Practical Solutions for Problem Accounts' with a brief description of the firm's services. To the right is a green button labeled 'Make a Payment Online' with a sub-section titled 'You can conveniently pay on-line' and a list of payment methods including credit cards and ACH.

PAYMENTS RECEIVED TO OUR PHYSICAL ADDRESS

We only give out our physical address to attorney's offices, mortgage companies, and title companies. Please do not give out our physical address to taxpayers.

Taxpayers can send payments by Priority Mail to our P.O. Box which will provide tracking that will tell them when the payment reached the post office.

PAYMENT POSTING

It is important that you post the payments you receive from TACS on a timely basis. We often update our account balances from your revision file (a refreshed file of all account assignments). If the payment is not posted promptly in your system, it will reinstate account balances that may have already been paid and letters and collection attempts may be made on incorrect balances.

We do not have the ability to back date payments when posting; therefore, we do not use envelope post mark dates for posting as these payments are all already delinquent. We provide payoff amounts that are good through the current month as well as the following month to assist in making sure the locality is paid in full.

There will be occasions where we will post a payment at the beginning of a month that would have paid in full if received by the end of the previous month. You may want to scrutinize these payments to back date to our posting date if this would pay in full the delinquent tax balance in your system.



REMITTING PAYMENTS

TACS remits payments to our clients on a weekly basis. Payments are generally sent on Wednesdays except when there is a holiday that week. The remittance is made on a delay so that any returned items are culled from the report. Your report and remittance will consist of payments made from about two weeks previously. For instance, the payments made the week of July 6th through 10th, will be reported and on paid on Wednesday, July 22nd.

You will also see COSTS on your remittance report on occasion. These amounts should be posted to your allocation for legal or litigation costs for this customer. We are collecting this amount from the customer to reimburse you for these legal or litigation costs that have already been billed to your office.

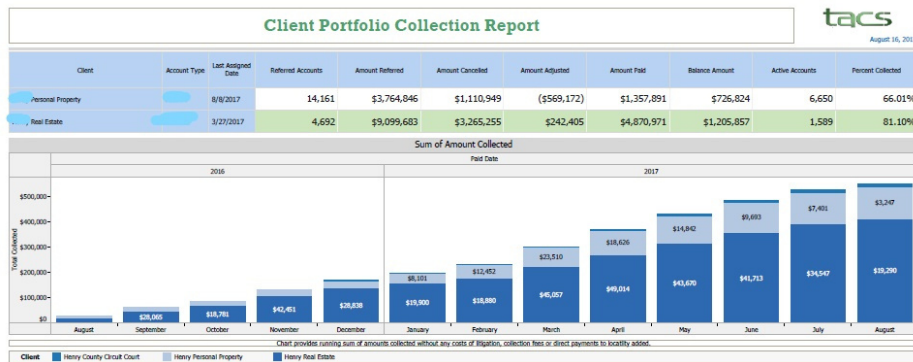
We send your weekly remittance funds through an ACH transaction. We send an email to staff members that you provide to indicate the amount of the ACH that you will be receiving in the next day or two depending on your bank. This email will also notify you that your remittance reports in PDF and Excel have been posted to our FTP site for your retrieval.

Depending on your tax system, we may also send a file of the payments using your lockbox structure so you can import those transactions right into your system. This saves the time and effort of manually posting the payments.



REPORTING

TACS prepares regular reports of our collection results to our clients. In addition to weekly remittance reports, TACS will prepare a report at least quarterly providing collection metrics on the entire portfolio of accounts assigned. We are always willing and able to prepare additional reports to meet your needs which can be addressed to reporting@taxva.com.



CLIENT COMMUNICATION

Remember, you've retained us to help with **your** collection program. We work for you and want to make sure you are on board with how we operate and what we do!

We continue to evaluate the avenues we use to build relationships and communicate processes with our clients. We would love to receive feedback from you in order to refine and improve our collection processes.

