



Maryland Spay and Neuter Grants Program Fee Revenue Report December 2015

FINAL REPORT

12/31/2015

Maryland Department of Agriculture

Jane Mallory, Program Coordinator, Agency Grants Specialist

Maryland Department of Agriculture

Spay and Neuter Grants Program

Fee Revenue Report

December 2015

This report details the fee revenue collected under § 2–1603 of the Agriculture Article, as enacted by Section 1 of this [Animal Welfare - Spay/Neuter Fund - Establishment] Act.

THE PROGRAM

The Spay Neuter Grants Program was created by the passing of Senate Bill 820 (Agriculture Article § 2-1602(i) SB 820/Ch. 561, 2013 HB 767/Ch. 562, 2013) in 2013. to assist in the reduction of animal shelter overpopulation and cat and dog euthanasia rates by financing grants to local governments and qualifying animal welfare organizations for programs, on a competitive basis, that will effectively facilitate and promote spay and neuter services for cats and dogs.

FEE COLLECTION REQUIREMENTS

The program is funded from annual fees levied on manufacturers of all dog and cat feed and treats registered with the Maryland State Chemist Office. Specifically, as stated in the Program’s Regulations:

“A. Any person who registers a commercial feed under Agriculture Article, §6-107, Annotated Code of Maryland, that is prepared and distributed for consumption by a cat or dog shall:

(1) Pay to the Department for use in the spay/neuter fund, the following fees for each registered brand or product:

(a) From October 1, 2013, through September 30, 2014, inclusive — \$50;

(b) From October 1, 2014, through September 30, 2015, inclusive — \$75; and

(c) After September 30, 2015 — \$100; and

(2) Declare on each application for registration that the product is prepared and distributed for consumption by a cat or dog.

B. Any person who fails to pay any fees required by this regulation is subject to the standards, policies, and procedures for the collection of claims of the State pursuant to COMAR 17.01.01.”

INVOICING AND FEE RCONCILE FOR 2013-2014 PERIOD

Payment Invoicing

On September 30, 2013 the State Chemist database was queried by the Program for all products believed to fall under the definition of cat or dog feed or treat. The Department generated invoices for 324 registrants that included:

- An invoice listing the following: fee per product, number of products, time period for which the fee covers total fee due, payment due date and address to send payment (Bank Lockbox),
- A list of all the products which were the basis for the fee;
- A payment envelop pre-addressed with the address of the Department’s bank lock box; and
- A cover letter, explaining the purpose of the fee.

Invoices were mailed October 1, 2013.

Payments sent directly to the bank lock box were processed by the bank and the Department’s Fiscal Services department. Copies of the payment check, Daily Lockbox Deposit Slip, Lister Tape Report, and invoice, product list (when provided by the payee) and payment envelop were sent to the Program Coordinator.

Checks for fee payment sent directly to the Department were logged by the Program Coordinator, and then transferred to the Fiscal Services department for deposit along with a deposit slip within 24 hours of receipt. Copies of the check, payment envelop, deposit and any items sent with the check by the payee (such as copies of invoices, product list, letters, etc) was retained by the Program Coordinator.

Payment Tracking and Reconcile

Payments were tracked in a excel spreadsheet by the Marketing Department and subsequently by the Program Coordinator. The excel file contained a list of all invoices sent: the company’s (registrant’s) name, contact person, address, the amount due, and the number of products per

invoice. Payment information supplied by the Fiscal Services department or when checks were sent directly to the Program was noted on the log. The date, payment amount and check number were noted. All paperwork for each payment was filed by the ID number of the registrant. The log was annotated when payment amounts differed from invoiced amounts (due to either discontinued products or non-feed products on the invoice) and when companies were no longer in business or selling products in Maryland. Likewise returned mail was noted.

Delinquent Account Procedures

In February 2014 the Program Coordinator was hired and took over the duties relating to fee collection and tracking. The Program Coordinator identified those companies that had failed to remit payment. Second notices were mailed out in February, requesting payment. Third notices were mailed in March for any accounts still delinquent. Third notices were mailed using certified mail for domestic companies and registered for companies outside the U.S.

Those companies that failed to pay by the third notice due date were sent to the Fiscal Services department for delinquent notifications. The Fiscal Services department provided the Program Coordinator with copies of all notices sent and any payments received.

Those companies that failed to respond to the delinquent notices were tracked by the Program Coordinator. The delinquent accounts were submitted by the Coordinator and the Fiscal Services department to the State of Maryland Central Collection Unit (CCU) 300 W. Preston Street, Room 500 Baltimore, Maryland 21201.

2013-2014 Fee Reconcile-Results

For this period, registrants were charged \$50/registered product.

A total of \$394,550.00 was collected. The additional funds resulted when companies paid more than the original invoice due to new or existing products not captured on the original invoice.

Twelve delinquent accounts, with a total invoiced amount of \$6,350.00 were sent to CCU for collections.

INVOICING AND FEE RECONCILE FOR 2014-2015 PERIOD

Payment Invoicing

During this reporting period the Program Coordinator generated and sent invoices for Spay/Neuter Program fees on October 6, 2014 to 360 pet feed/treat registrants, based on

product information from the State Chemist products registration database. Each invoice was sent via first class US mail and included an explanatory letter, a list of products on which the invoice total was based and instructions as to where to send payment.

Payment Tracking, Reconcile and Delinquent Account Procedures

Following the procedure described earlier, the Program Coordinator maintained a Program Fee Excel Spreadsheet that served as the main repository of fee remittance information. The Program Coordinator maintained all paperwork pertaining to each paid invoice.

The Program Coordinator sent second notices (first class mail) and third notices (certified to US companies and registered to overseas companies) to delinquent accounts from 2014 invoicing.

2014-2015 Fee Reconcile-Results

For this period, registrants were charged \$75/registered product.

A total of \$692,250.00 was collected.

Ten delinquent accounts, with a total invoiced amount of \$9,150.00 were sent to CCU for collections.

INVOICING AND FEE RECONCILE FOR 2015-2016 PERIOD

Payment Invoicing

During this reporting period the Program Coordinator generated and sent invoices for Spay/Neuter Program fees on October 1, 2015 to 351 pet feed/treat registrants, based on product information from the State Chemist products registration database. Each invoice was sent via first class US mail and included an explanatory letter, a list of products on which the invoice total was based and instructions as to where to send payment.

Payment Tracking, Reconcile and Delinquent Account Procedures

Following the procedure described earlier, the Program Coordinator maintained a Program Fee Excel Spreadsheet that served as the main repository of fee remittance information. The Program Coordinator maintained all paperwork pertaining to each paid invoice.

2014-2015 Fee Reconcile-Results as of December 31 2015.

For this period, registrants were charged \$100/registered product. This will be the fee for all remaining years of the Program.

As of December 31, 2015 total of \$669,700.00 was collected.

A total of \$331,800.00 was still outstanding as of the date of this report. Second notices will be sent in January 2016 to the 90 registrants who are currently delinquent.

ADDITIONAL REVENUE FROM INTEREST

Additional revenue for the Program is generated from the interest accrued on the funds collected from fee invoices.

From October 2013 to December 2015 a total of \$5,308.18 in interest has been collected on the Program funds from stocks, bonds and U.S. Treasury securities.