

SCHEDULE 23
Base Fees and Benefits

(Section 13.1)

1.	Overview.....	3
1.1	Terms.....	3
1.2	Background	3
1.3	Principles and Framework.....	4
1.4	EDS Excluded Costs	5
1.5	Economic Model Overview.....	6
2.	EDS Cost	7
2.1	EDS Cost Principles	7
2.1.1	CITS Charges.....	7
2.1.2	EDS Overhead.....	8
2.1.3	Fixed RMS Build	8
2.2	Cost Based Adjustment Requests (CBARs).....	8
2.2.1	Definition	8
2.2.2	Purpose of CBARs.....	9
2.2.3	Principles by which the Province shall accept CBARs.....	9
2.2.4	Timeliness of CBAR submission and approval	9
2.2.5	Information contained on CBAR Forms	10
2.3	Change Orders Included in Cost Base.....	10
3.	Fees.....	10
3.1	Base Fees.....	10
3.1.1	Optional Post-Termination License Fee.....	11
3.2	Interest on the EDS investment	12
3.2.1	Treatment of interest with specified payments	12
3.3	New Services.....	12
3.4	EDS Cost Savings	12
3.4.1	EDS Cost Savings Principles	12
3.4.2	EDS Cost Saving Benefit Example.....	13
3.4.3	EDS Cost Savings Benefit Adjustments	14
4.	Benefits.....	14
4.1	Benefit Fees Definition	14
4.2	Benefit Sharing Steps	14
4.2.1	Benefit Overview	14
4.2.2	Benefit Sharing Percentage	15
4.2.3	Benefit Sharing Percentages	16
4.3	Principles and Methodology for projecting total Benefits.....	17
4.3.1	Principles.....	17
4.3.2	Methodology	17
4.3.3	Expedited dispute resolution	19
4.4	Benefit Baseline	19
4.5	Benefit Calculation.....	21
4.5.1	Commencement & Termination.....	21
4.5.2	Benefit Interest Factor by Contract Year	21
4.5.3	Improved Revenue Realization for Full Revenue Management Programs.....	22

4.5.4	Adjustments that impact the Improved Revenue Realization	24
4.5.5	Improved Net Collection Rate	26
4.5.6	Write-offs	27
4.5.7	Interest on Overdue Revenues	27
4.6	Benefits Shortfall.....	28
4.7	No Netting of Benefits Among Programs	29
4.8	Reconciliation.....	29
4.9	Discontinued or Diminishing Programs	30
5.	Fee Adjustments	31
5.1	Project Work.....	31
5.2	Inflation	32
5.2.1	Compensation Inflation.....	32
5.2.2	Non-Compensation Inflation.....	33
5.3	Government Rates	33
5.4	Volume Changes	33
5.5	Other fee adjustments.....	33
6.	Base Fee Adjustment for Pensions	34
7.	Method of Payment.....	35
7.1	Sample Invoice	35
7.2	Benefits.....	35
7.2.1	First month of Benefits invoice.....	35
8.	Specified Payments.....	36
9.	Financial Reporting and Financial Audit or Validation of EDS	36
9.1	Financial Monitor	36
	The Financial Monitor may not be a Competitor. [.....	36
9.2	Financial Reporting	36
9.3	Audits of the Financial Reporting	38
10.	Definitions	38

- Appendix A (*Benefit Interest Factor and Verified Benefits*)
- Appendix B (*Benefit Measurement MSP Baseline*)
- Appendix C (*Benefit Measurement CLMB Baseline*)
- Appendix D (*Benefit Calculation*)
- Appendix E (*Sample Invoice*)
- Appendix F (*Skip Trace Databases*)
- Appendix G (*Current Reports used in the Benefits Calculation*)
- Appendix H (*Financial Summary Report*)

1. OVERVIEW

1.1 Terms

Capitalized terms used in this Schedule without definition have the meanings attached to such terms in the Agreement. Article 10 (*Definitions*) contains a list of definitions or terms defined elsewhere in this Schedule.

For the purposes of this Schedule stub year means the period commencing on the Effective Date and ending on March 31, 2005 and Contract Year 1 means the period commencing on April 1, 2005, and all subsequent Contract Years shall refer to the periods following thereafter.

1.2 Background

The Economic Model is the framework developed by EDS and the Province for compensating EDS for the Services provided by EDS under the Agreement. The Economic Model includes compensation for EDS' investment and EDS corporate profit.

There are four fundamental concepts involved in EDS' compensation:

- (i) Base Fees;
- (ii) Benefits;
- (iii) costs; and
- (iv) Net Margins.

The Base Fees component (as discussed in Section 3.1 (*Base Fees*) of this Schedule) was developed using the Base Case contained in the Economic Model to represent the portion of the Ministry's annual budget being paid to EDS in connection with the Services.

The Benefits component as discussed in Article 4 (*Benefits*) of this Schedule is based on a sharing of Benefits between EDS and the Province according to the formula contained in such Article.

Costs (as discussed in Article 2 (*EDS Cost*)) represent the costs incurred by EDS to perform the Services and includes the RMS Build costs and the ongoing operating costs.

The “Net Margins” concept (as discussed in section 4.2 (*Benefit Sharing Steps*) of this Schedule) reflects that EDS’ share of Benefits shall be adjusted when specified corporate margins are achieved. The Net Margins act as “margin caps” that allow EDS to achieve a return on its investment without windfall profits.

1.3 Principles and Framework

The Economic Model is the framework that was developed by EDS and the Province for compensating EDS for the Services provided by EDS under the Agreement. It was built on the following principles:

- The Economic Model must be fair to both parties
- The principles of the Economic Model are congruent with the Revenue Management Project vision at the Effective Date
- EDS should remain motivated throughout the Term of the Agreement
- EDS has a positive NPV with respect to the transaction documented in the Agreement
- The Ministry has a positive cash flow with respect to the transaction documented in the Agreement
- EDS does not make windfall profits
- The Economic Model must be flexible enough to accommodate various levels of Benefits and an unknown number of Programs over the Term of the Agreement. (The Parties recognize that different onboarded Programs may have different Benefit sharing characteristics.)
- The Economic Model must promote achievement of Benefits and the Ministry’s Centre of Excellence concept

At the Effective Date, the Economic Model recognizes and reflects the transfer of the In-Scope Personnel and responsibility for the Services from the Ministry to EDS on the Commencement Date, EDS’ responsibility to provide the Services described in the SOW Documents and the future sharing of Benefits between the Province and EDS.

The Parties acknowledge and agree that:

- (i) the principles set out above are not intended to create legal obligations but, instead, to document the mutual objectives of the Parties;
- (ii) the principles have been reflected in the Economic Model agreed to by the Parties; and
- (iii) the agreement of the Province and EDS concerning the compensation to be received by EDS for the Services is set out in this Schedule and this Schedule may not be adjusted except by written agreement of the Parties.

In the event of a conflict between the provisions of the Economic Model and the provisions of this Schedule, the provisions on this Schedule shall prevail.

EDS' costs set out in the EDS Cost Model do not, and the future costs of EDS shall not, double count either EDS Overhead or profit earned by EDS or its Affiliates in the cases where services are being provided to EDS from EDS Canada Inc. or its Affiliates.

The Parties have agreed that EDS will not be charged through inter-company billing, or other such means, any charges that are not directly or indirectly related to the operations, delivery or performance of the Services. This paragraph does not apply to EDS Overhead, which is specifically dealt with elsewhere in this Schedule.

1.4 EDS Excluded Costs

The following costs are excluded from the net margin calculation at each benefit level ("EDS Excluded Costs"):

- (i) RMS Build cost overruns (unless such RMS Build cost overruns were approved under Change Orders or approved CBARs);
- (ii) costs for media monitoring of up to \$1,000 per month under Section 1.14 (*Co-Operation of the Parties*);
- (iii) liquidated damages payable to the Province under Section 3.5(b)(i)(B) (*Failure to Complete Transition Plan – EDS Caused Delays*);
- (iv) RMS Build costs incurred as a result of delays in the RMS Build during the first three month per under Section 6.5(b) (*Milestones*);
- (v) EDS Service Level Credits under Section 7.16 (*EDS Service Level Credits*);
- (vi) costs of procuring services at EDS' expense under Section 8.12(f) (*Actual Disaster*) where, due to the negligence of EDS, EDS does not materially restore the Services in accordance with the Disaster Recovery Plan or the Business Continuity Plan for the Services;
- (vii) Rewards earned by the Province under Section 14.3 (*Province Rewards*) that the Province may apply to EDS' fees;
- (viii) costs incurred by EDS in respect of follow-up, investigations, inspections or audits under Section 16.14(b) (*Costs of Audits*);
- (ix) costs incurred by EDS in connection with the remedies of the Province under Section 19.2 (*Remedies of the Province*);
- (x) costs incurred by EDS pursuant to the indemnities granted by EDS to the Province under Section 23.3(a) and (b) (*Indemnification by EDS*) but not including costs or expenses incurred by EDS under the licenses, leases, agreements or Assigned Contracts referred to in such sections in the course performing the Services under the Agreement;
- (xi) costs incurred by EDS pursuant to the indemnities granted by EDS to the Province under Section 23.3 (*Indemnification by EDS*) (other than pursuant to the indemnities granted under Sections 23.3 (a) and (b) (*Indemnification by EDS*))

and Section 23.5 (*Intellectual Property Indemnification*) excluding therefrom costs relative to PST and other similar taxes as Taxes under Section 23.3(c) (*Indemnification by EDS*);

- (xii) costs incurred by EDS in respect of the Software Errors pursuant to Sections 23.4(c)(i), (c)(iii)(B), (d)(i) and (d)(iii) but not including EDS' costs to remedy the Software Error or to replace the Software containing Software Error;
- (xiii) shared costs of the arbitrator pursuant to Section 26.2(e)(*Arbitration*), Section 26.3(e)(*Expedited Dispute*) and 26.4(b)(*Special Expedited Dispute*);
- (xiv) transaction fees incurred by EDS pursuant to Section 32.10 (*Transactions Fees and Commissions*) except as provided in **Schedule 31** (*Termination Fees*);
- (xv) \$250,000 associated with security training costs;
- (xvi) income taxes, capital gains taxes, corporate capital taxes and other similar income or capital taxes that are payable by EDS; and
- (xvii) any damage awards made in favour of the Province pursuant to any Claims made by the Province under and in accordance with the terms of the Agreement;
- (iii) other EDS costs specifically agreed by the Parties to be excluded with reference to this Section.

1.5 Economic Model Overview

Table 1 (*Economic Model Overview*) below illustrates how Benefits are shared at various levels of Benefit attainment and the EDS Net Margin calculation. Numbers are rounded.

	Level of Benefits		
	\$400 M	\$661 M	\$800 M
Ministry share of Benefits	204	404	521
Ministry % share of Benefits	51%	61%	65%
EDS share of Benefits	196	257	279
Base fees	301	301	301
Total EDS revenues	499	558	580
EDS Costs	510	510	510
EDS Net Profit	(14)	48	70
EDS Net Margin	(2.8%)	8.5%	12.0%

Table 1 (Economic Model Overview)

2. EDS COST

2.1 EDS Cost Principles

Subject to the terms of the Transaction Documents, including the provisions of this Article 2 (*EDS Cost*), EDS costs include all costs incurred by EDS to perform the Services including with respect to the Assigned Contracts and the Access Rights Contracts but not including:

- (i) charges for the Excluded CITS Services (see section 2.1.1 (*CITS Charges*) of this Schedule); and
- (ii) postage charges incurred by BC Mail+ or such other replacement vendor as may be utilized by EDS to support delivery of the Services;

all of which shall remain the responsibility of the Province. The Province shall pay the charges for the Excluded CITS Services according to such payment terms as may be agreed with CITS and the BC Mail+ postage charges in accordance with the payment terms of EDS' BC Mail+ contract.

2.1.1 CITS Charges

EDS costs do not include charges for services provided by CITS, to the extent that such services are the same as the services provided by CITS to the Province immediately prior to the Commencement Date (the "**Excluded CITS Services**"). The Excluded CITS Services include:

- (1) workstations provided to the Province employees, support of workstations, software for the workstations and other shared services provided by CITS to the Province (e.g. file/print, network support);
- (2) other services provided by CITS for the Province prior to the Commencement Date; and
- (3) similar equipment and services provided by CITS to the EDS employees and contractors during such time as the EDS employees and contractors are located at the Swing Space.

CITS may also provide certain services to EDS in connection with the Swing Space. Such services shall be described and the responsibility for the costs dealt with in accordance with a separate written agreement between the Parties.

After the Permanent Move Date, EDS shall assume the costs to provide equipment and services to EDS' employees and contractors that are similar to the equipment and services provided by CITS as part of the Excluded CITS Services, but not including costs for equipment and services required by EDS employees and contractors providing On-site IM/IT Services while on-site at Province locations.

The Excluded CITS Services do not include any services required by EDS for delivery of the Services if such services are not provided by CITS to the Province on the Effective Date. EDS shall be responsible for obtaining such services from CITS and shall be responsible for any associated costs. The only such service of this type that has been currently identified is the circuits needed for the "Enhanced Capacity" solution (as set in the SOW 2 Documents).

2.1.2 EDS Overhead

EDS corporate overhead of 11.7% (“**EDS Overhead**”) shall be added to all costs that are included in “EDS costs”, other than the interest described in section 3.2 (*Interest on the EDS investment*) of this Schedule, and any references to “EDS costs” shall be deemed to include such EDS Overhead.

The 11.7% EDS Overhead rate shall be fixed for the Term of the Agreement. Such EDS Overhead rate shall also be used when calculating and processing Change Orders and CBARs.

2.1.3 Fixed RMS Build

EDS shall deliver the RMS Build functionality as detailed in the SOW 4 Documents and the Service Catalogue as guided by the Business Model for a fixed total cost of \$54,384,473 (which amount includes EDS Overhead, but excludes associated interest cost). Interest costs as described in Section 3.2 (*Interest on the EDS investment*) of this Schedule shall not apply to RMS Build costs in excess of \$54,384,473.

- Components of the RMS Build included in the fixed total cost are:
- SAP configuration (RMS Build),
- Transformation,
- Travel associated with RMS Build and Transformation,
- SAP license,
- One year of SAP maintenance,
- Other hardware and software associated with the RMS Build (but not including refreshes of such hardware or software),
- One year of maintenance for the hardware and software associated with the build,
- SAN (storage area network) hardware (but not including refreshes of such hardware)

For purposes of calculating EDS’ percentage share of Benefits for the various Benefit sharing steps during the Term of the Agreement (see Section 4.2 (*Benefit Sharing Steps*) of this Schedule), the fixed RMS Build cost referred to above as adjusted for Change Orders and approved CBARs, shall be used instead of the EDS’ actual costs for the RMS Build.

2.2 Cost Based Adjustment Requests (CBARs)

2.2.1 Definition

Cost Based Adjustment Requests or CBARs are requests submitted by EDS to the Province for known and/or projected cost increases to the EDS Cost Model. CBARs are not invoiced and represent adjustments to the EDS cost base that are used for calculations of Net Margins and Benefit sharing percentages .

2.2.2 Purpose of CBARs

CBARs are a means of permitting EDS to increase costs before \$800 million in Benefits has been achieved. CBARs become part of the EDS cost base when calculating the EDS share of Benefits between the \$661 million and the \$800 million levels of Benefits.

2.2.3 Principles by which the Province shall accept CBARs

CBARs may not be used to change EDS' interest rate (fixed at 6% by section 3.2 (*Interest on the EDS investment*) of this Schedule) or to change EDS Overhead (fixed at 11.7% by section 2.1.2 (*EDS Overhead*) of this Schedule).

Subject to the previous paragraph, the CBARs shall be subject to the prior approval of the Province. In approving the CBARs, the Province shall act reasonably, and in accordance with and having regard to the following principles::

- (a) the cost increase is reasonable under the circumstances;
- (b) the cost increase is not due to gross mismanagement by EDS ;
- (c) the cost increase is attributable to Services provided under the Agreement, and was or shall be incurred to: (1) protect or enhance Benefits; (2) meet Service Levels; or (3) meet other obligations, objectives or outcomes of EDS under the Transaction Documents;
- (d) the cost increase does not relate to an increase in RMS Build costs (unless agreed by the Province at its sole discretion on an exception basis);
- (e) the costs were not incurred to provide services, or expand operational capacity, for other clients;
- (f) EDS brings material cost increases to the Province's attention as soon as is practicable; and
- (g) EDS takes action, as appropriate, to reduce cost increases once identified.

2.2.4 Timeliness of CBAR submission and approval

CBARs shall be submitted by EDS to the Province at a minimum on a quarterly basis. The quarterly CBARs may include a number of items that are too small (less than \$100,000 for each item) to require a separate CBAR. Larger cost items require a separate CBAR and shall be submitted by EDS to the Province as soon as the cost variance is known and quantified. Some or all of the cost may already have been incurred prior to submitting the CBAR; however, where possible, EDS shall submit the CBAR for approval before the expenditure occurs unless the lapse of time while waiting for the CBAR approval causes delivery problems.

The Province shall have thirty (30) calendar days to review and approve the CBAR. If the Province, acting reasonably, requires additional information to evaluate the CBAR, the running of such thirty day time period shall be suspended while EDS prepares the information response and the running of the thirty day time period resumes when EDS submits the additional information to the Province. In the event the CBAR is significant and complex, the Province has the ability to

request an extension beyond the thirty calendar days and EDS shall not unreasonably withhold approval of such a request. The Parties' expectations are that any such extensions shall be the exception.

If the Province rejects a CBAR, the Province shall provide EDS with a written explanation of the reasons for the rejection identifying which of the principles identified above were not satisfied by the CBAR. EDS shall have the right to dispute the rejection of the CBAR under Article 26 (*Dispute Resolution*) of the Agreement, as an Expedited Dispute.

2.2.5 Information contained on CBAR Forms

In the three month period following the Commencement Date, EDS shall develop the CBAR form and such form shall be agreed to by the Parties through the Governance Process.

The CBAR form shall, at a minimum, contain:

- (a) CBAR control number
- (b) Date submitted for approval
- (c) CBAR description – what is the cost element that needs adjustment
- (d) Reason for CBAR – why does the cost element need to be adjusted
- (e) Cost impact by year (stub year, Contract Year 1, Contract Year 2, Contract Year 3 up to Contract Year 10, final stub year (if any) and Total) adjusted for inflation in accordance with Section 5.2 (*Inflation*) of this Schedule
- (f) EDS Approval
- (g) Province approval or reason for rejection

2.3 Change Orders Included in Cost Base

Change Orders, including those associated with RMS Build, are included in the EDS cost base for all calculations of Net Margins and Benefit sharing percentages (unlike CBARs, which are allowed into the EDS calculation of costs only after \$661 million of Benefits have been achieved). Change Orders may result in a change in Base Fees, a change in Benefit share or other such payments or combination of payments from the Province as are agreed to by the Parties.

3. FEES

3.1 Base Fees

The calculation of Base Fees payable to EDS is derived from the Base Case described in the Economic Model, adjusted to exclude the following costs (which costs are not covered by the Base Fees):

- (a) Postage – for postage charges incurred by BC Mail+ or such other replacement vendor as may be utilized by EDS to support delivery of the Services. The excluded postage charges included charges for MSP volume increases assumed in the Base Fees and described below; and

(b) the charges for the Excluded CITS Services.

The Base Fees do not include inflation (refer to section 5.2 (*Inflation*) of this Schedule).

The Base Fees include consideration for the 3% volume increase associated with MSP. This 3% volume increase for MSP was assumed in the calculation of the Benefits of \$661 million.

The Base Fees do not include adjustments to EDS' compensation resulting from Change Orders agreed to by EDS and the Province after the Effective Date.

Base Fees Table		
Fiscal Year	Contract Year	Annual Amount
04/05	Stub Year	11,432,278
05/06	Year 1	29,267,045
06/07	Year 2	27,906,412
07/08	Year 3	29,129,169
08/09	Year 4	29,102,265
09/10	Year 5	29,075,038
10/11	Year 6	29,044,145
11/12	Year 7	29,013,841
12/13	Year 8	28,985,009
13/14	Year 9	28,955,944
14/15	Year 10	28,843,973
Total Base Fees		300,755,119

Note: For the purposes of the Base Fees Table, Fiscal Year 04/05 refers to the period after the Effective Date and up to and including March 31, 2005.

3.1.1 Optional Post-Termination License Fee

Pursuant to Section 11.17 (*Province License After the Term*) of the Agreement, the Province may acquire a license to use the RMS after Termination (referred to in the Agreement as the "Post-Termination License") upon payment of the Post-Termination License Fee in the amount of \$100,000. The Post-Termination License Fee is payable by the Province to EDS within thirty days of the Termination Date.

3.2 Interest on the EDS investment

Interest shall be charged on the EDS investment at a rate of 6% per annum (0.5% per month). By agreement of the Province and EDS, this interest rate has been fixed for the Term.

“EDS Investment” at any date means the sum of:

1. the lower of actual or modelled costs (such modelled costs being set out in the EDS Cost Model), including EDS Overhead, but excluding BearingPoint uplift (as set out in the EDS Cost Model) at such date; plus
2. costs incurred to such date under Change Orders and approved CBARs; minus
3. Base Fees and EDS’ share of Benefits received to such date from the Province

Where the EDS Investment is negative (costs exceed revenues), interest, compounded monthly, shall be applied and added to the investment outstanding. The interest shall be calculated so long as the EDS Investment remains negative. The interest shall be calculated monthly and applied on the Second Invoice.

3.2.1 Treatment of interest with specified payments

Where the Province, at its sole discretion and in accordance with Article 8 (*Specified Payments*), determines to pay down a portion of the EDS Investment, EDS shall accept such payment and reduce the outstanding EDS Investment by the amount paid. By reducing the EDS Investment outstanding, the Province shall reduce the total interest cost it will pay over the investment period.

The Province shall inform EDS of the Province’s intent to pay down a portion of the EDS Investment at least three months in advance in order for EDS to plan its cash flow accordingly.

3.3 New Services

The Parties acknowledge that, pursuant to the Change Order Process, EDS may in future provide additional Services under the Agreement. Where EDS provides such additional Services, the Change Order Process and/or the RMOP may be used to affect an adjustment to the Fees.

3.4 EDS Cost Savings

3.4.1 EDS Cost Savings Principles

If EDS is able to reduce its non-RMS Build actual costs below the modelled cost (as set out in the EDS Cost Model and as adjusted for Change Orders and CBARs) and EDS achieves at least \$661 million in Benefits, EDS shall receive a “**Cost Saving Benefit**” according to the following principles:

1. The Cost Saving Benefit shall be added to the total EDS cost by means of a Special CBAR for purposes of Net Margin calculations.
2. Interest cost savings shall not be eligible.

3. Reductions in overhead allocations due to the addition of new business (pursuant to Article 14 (*Gain Sharing and Growth*) of the Agreement) shall not be eligible.
4. Where the reduced cost is 2% or less of the modelled cost, the Cost Saving Benefit shall be 72% of the reduced cost;
5. Where the reduced cost is greater than 2% and up to 4% of the modelled cost, the Cost Saving Benefit shall add 54% of the reduction over 2% to the amount calculated in 4 above.
6. Where the reduced cost is greater than 4% and up to 6% of the modelled cost, the Cost Saving Benefit shall add 36% of the reduction over 4% to the amount calculated in 4 and 5 above.
7. Where the reduced cost is greater than 6% of the modelled cost, the Cost Saving Benefit shall add 18% of the reduction over 6% to the amount calculated in 4, 5 & 6 above.
8. The Cost Saving Benefit shall be initially calculated at the end of the Contract Year in which \$661M of Benefits is achieved. The Cost Saving Benefit shall be reviewed and recalculated at the end of each subsequent Contract Year. In the event that \$661 million of Benefits is achieved in the last Contract Year of the Term that is at least twelve months in length, the Cost Saving Benefit shall be calculated immediately.

EDS shall submit the Special CBAR with respect to any Cost Saving Benefit to the Province but is not required to obtain the Province's approval thereof. However EDS shall demonstrate such Cost Saving Benefit to the Financial Monitor.

3.4.2 EDS Cost Saving Benefit Example

Assume that \$661M of Benefits is achieved in Contract Year 7. If EDS' non-RMS Build costs are modelled to be \$350 million by the end of Contract Year 7 and the actual costs are \$325 million, then EDS shall create a Special CBAR for \$12.0 million, creating a revised allowed cost of \$337.0 million, to be used in margin calculations and EDS' share of Benefits percentages, as calculated below.

Total cost savings: \$25 million. This represents a savings of 7.1% (25/350).

EDS' share of the savings is:

Total Savings	EDS Share	EDS \$ Share
First 2% (\$7.0M)	72%	\$5.0M
Next 2% (\$7.0M)	54%	\$3.8M
Next 2% (\$7.0M)	36%	\$2.5M
Remaining 1.1% (\$4.0)	18%	\$.7M
Total 7.1% (\$25.0M)		\$12.0M

The Special CBAR cost calculated above, shall be taken into account when calculating the EDS share of Benefits as per Section 4.2 (*Benefit Sharing Steps*) of this Schedule.

3.4.3 EDS Cost Savings Benefit Adjustments

The Special CBAR for the Cost Saving Benefits shall be evaluated on an annual basis and adjustments made as required. An increase to the Special CBAR will be made if the non-RMS Build cost saving is more than the previous Contract Year. A decrease to the Special CBAR will be made if the non-RMS Build costs saving is less than the previous Contract Year.

4. BENEFITS

4.1 Benefit Fees Definition

Benefits shall be calculated as the sum of:

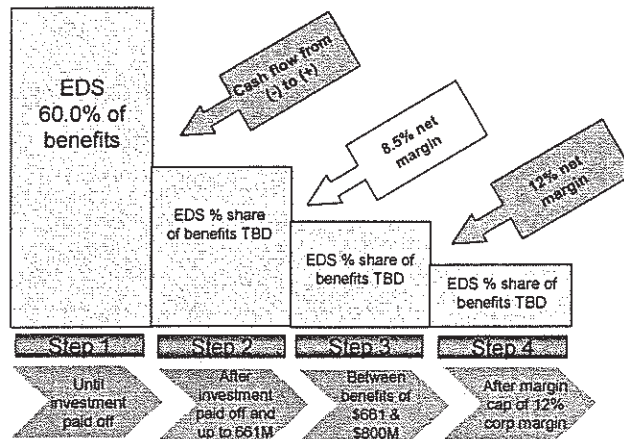
- (i) Improved revenue realization for Full Revenue Management Programs (see section 4.5.3 (*Improved Revenue Realization for Full Revenue Management*) of this Schedule) and improved net collection rates for Collections Only Programs (see section 4.5.5 (*Improved Net Collection Rate*) of this Schedule);
- (ii) the interest charged and collected on debts for which the Province does not charge interest:
 - the Benefit is calculated where, prior to the Commencement Date (or the date of Program onboarding for future Programs), the Province did not charge interest on past due amounts as a result of systems or other limitations (for example, MSP PayDirect); and
 - the only Program in respect of which the Province was charging and collecting interest was MSP Group. Therefore, interest collected by EDS on behalf of the Province on past due MSP Group amounts does not form part of the Benefits to be shared by EDS and the Province;(see section 4.5.7 (*Interest on Overdue Revenues*) of this Schedule); and
- (iii) the interest savings to the Province calculated with respect to the amounts identified in paragraphs (i) and (ii) of this Section (see section 4.5.2 (*Benefit Interest Factor by Contract Year*) of this Schedule).

The Parties have agreed that Benefits shall be shared between them in accordance with the provisions of this Schedule. The Benefits shall not be attributed to the Parties based on their respective contributions for achieving such Benefits.

4.2 Benefit Sharing Steps

4.2.1 Benefit Overview

There are many possible Benefit sharing percentages (steps) that EDS may receive. The illustration below is meant to demonstrate the various steps and points where the EDS share of Benefits changes, but does not represent what the EDS share of Benefits is beyond step 1.



The illustration also suggests that, at each step, the EDS percentage share of Benefits decreases. Whether the EDS percentage share of Benefits increases or decreases from step 2 to step 3 or from step 3 to step 4 shall depend upon the Benefits projections determined by the Province and EDS (see section 4.3 (*Principles and Methodology for projecting total Benefits*) of this Schedule) and other factors impacting share of Benefits.

4.2.2 Benefit Sharing Percentage

The Province and EDS shall share Benefits as follows:

Step One

- EDS shall receive 60% (step one) of the Benefits until EDS achieves an overall positive cash flow on the Agreement (other than on a temporary basis), calculated as total revenue (including specified payments under Article 8), less modelled costs plus Change Orders (projected in the EDS Cost Model as occurring approximately at month 60).

Step Two

- Once EDS achieves an overall positive cash flow, the EDS percentage share of Benefits shall be adjusted to be that percentage share of Benefits such that, when \$661 million of Benefits shall have been achieved, EDS shall have earned a Net Margin of 8.5% (step two). The calculation of the EDS share of Benefits shall be based on modelled costs adjusted for Change Orders and a projection of the future Benefits in accordance with Section 4.3 (*Principles and Methodology for projecting total Benefits*) of this Schedule in order to achieve a Net Margin of 8.5% at \$661 million of Benefits.

Step

- When \$661 million of Benefits has been achieved, the EDS percentage share of Benefits for the next step shall be calculated as the percentage required to generate a 12.0% Net Margin for EDS at \$800M in Benefits using modelled costs adjusted for approved change requests, approved CBARs and Special CBARs and a projection of the future Benefits in accordance with Section 4.3 (*Principles and Methodology for projecting total Benefits*) of this Schedule.

Step Four

- When \$800 million in Benefits has been achieved, EDS' share of Benefits shall be adjusted to ensure that EDS achieves a 13.5% Net Margin at \$1 billion in Benefits. The calculation of EDS share of Benefits shall be based on Modelled Costs adjusted for Change Orders, approved CBAR's, Special CBARs, actual inflation costs, and up

to \$10 million of other costs (other than in respect of the RMS Build for which modelled costs plus Change Orders plus CBARs shall continue to be used) and a projection of the future Benefits in accordance with Section 4.3 (*Principles and Methodology for projecting total Benefits*) of this Schedule. CBARs that were rejected will not be included in the actual cost calculation.

- When \$1 billion in Benefits has been achieved, EDS' share of Benefits shall be adjusted to ensure that EDS achieves a 15.0% Net Margin at \$1.2 billion in Benefits. The calculation of the EDS share of Benefits shall be based on Modelled Costs adjusted for Change Orders, approved CBAR's, Special CBARs, actual inflation costs, and up to \$10 million of other costs (other than in respect of the RMS Build for which modelled costs plus Change Orders plus CBARs shall continue to be used) and a projection of the future Benefits in accordance with Section 4.3 (*Principles and Methodology for projecting total Benefits*) of this Schedule.
- If total Benefits exceed \$1.2 billion, the Parties shall negotiate the split of Benefits in excess of \$1.2 billion.
- If EDS achieves a Net Margin before the corresponding level of Benefits shall have been achieved, EDS shall continue at a temporarily reduced share of Benefits that maintains the Net Margin until the next level of Benefits is achieved. For example, if EDS reaches 12% Net Margin before total Benefits equals \$800 million, the EDS share of Benefits shall be temporarily adjusted to maintain, but not exceed, the 12% Net Margin until \$800 million of total Benefits is achieved. Once the \$800 million of total Benefits is achieved, the EDS share of Benefits shall be readjusted in order for EDS to achieve 13.5% Net Margin at \$1 billion of total Benefits.
- Refer to Appendix A (*Benefit Interest Factor and Verified Benefits*) for the calculation of Benefit scenarios under which \$661 million of Benefits is achieved.

Where the EDS' percentage share of Benefits changes, such change shall be implemented in the following month.

4.2.3 Benefit Sharing Percentages

- The Net Margin calculation at \$661 million of Benefits shall be based on actual revenues received by EDS and the lower of actual or modelled costs (other than in respect of the RMS Build for which modelled costs plus Change Orders plus CBARs shall continue to be used), adjusted for Change Orders and CBARs.
- The Net Margin calculation at \$800 million of Benefits shall be based on actual revenues received by EDS and the lower of actual or modelled costs (other than in respect of the RMS Build for which modelled costs plus Change Orders plus CBARs shall continue to be used), adjusted for Change Orders, CBARs and Special CBARs.
- After \$800 million in Benefits is achieved (including in the Net Margin calculations at \$1.0 billion and \$1.2 billion of Benefits), EDS is permitted to include modelled RMS Build costs (plus related Change Orders and CBARs) and non-RMS Build Modelled Costs adjusted for Change Orders, approved CBAR's, Special CBARs, actual inflation costs, and up to \$10 million of other costs (unless specifically excluded (see section **Error! Reference source not found.** (*Error! Reference source not found.*) of this Schedule) in the Net Margin calculation. RMS Build cost shall be applied to the Net Margin calculation as described in section 2.1.3 (*Fixed RMS Build*) of this Schedule.

4.3 Principles and Methodology for projecting total Benefits

As there is a requirement for EDS and the Province to project, at various points in time, the Benefits that will be achieved during the Term of the Agreement in order to adjust the percentage share of Benefits that EDS will receive, the following principles and methodology shall be used to ensure a fair projection.

4.3.1 Principles

- The total Benefit projection must be fair to both Parties. Neither Party should attempt to influence the projection to their advantage.
- Seasonal and/or monthly trending shall be factored into the projection
- Annual growth in Benefits shall be factored into the projection
- The projections shall be based on the best available information.
- Known, significant adjustments in government policy or Programs may be factored into the projection where there is a high level of certainty that the adjustment will occur (e.g. a planned increase or decrease in Program fees that will impact the amount of revenue available to generate Benefits). This could result in an adjustment in the trends used in the projection.

4.3.2 Methodology

The methodology set out in this section shall be used to determine the growth rate to the current level of Benefits for the purposes of the projections required under Section 4.2 (*Benefit Sharing Steps*) of this Schedule.

If the projection is being completed in Contract Year 5 (April 1, 2009 – March 31, 2010), then the percentage change between the Benefits achieved in Contract Year 3 and the Benefits achieved in Contract Year 4 shall be used to project the Benefits that will be achieved into the future. If the projection is being completed in Contract Year 6 or after, then the projection shall be based on the average of:

- (i) the percentage change between the Benefits achieved in the antepenultimate Contract Year and the Benefits achieved in the penultimate Contract Year; and
- (ii) the percentage change between the Benefits achieved in the penultimate Contract Year and the Benefits achieved in the prior Contract Year;

and the average shall be used to project the Benefits that will be achieved into the future. For example, if the estimate is being done in Contract Year 6 (April 1, 2010 – March 31, 2009), then the projection shall be based on the average of: (i) the percentage change in Benefits achieved between Contract Year 3 and Contract Year 4; and (ii) the percentage change in Benefits achieved between Contract Year 4 and Contract Year 5. (See the sample calculations below.)

The Parties do not anticipate the need to project Benefits before Contract Year 5.

If the change in Benefits achieved is not consistent between Contract Years, the Province and EDS shall work together to project the future Benefits in a way that is fair to both Parties.

Sample calculations of the projections are set out below.

Example 1 – one year of % change	Actuals		Benefits Projection		
	Contract Year 3	Contract Year 4	Contract Year 5	Contract Year 6	Contract Year 7
Total annual Benefits achieved	\$73.6M	\$79.5M	\$85.86M	\$92.73M	\$100.15M
Change	N/A	\$5.9M			
% change	N/A	8%			
Calculation	N/A	N/A	Yr 4 actual Benefits x 1.08	Yr 5 estimated Benefits x 1.08	Yr 6 estimated Benefits x 1.08

Sample Calculation – Benefits Projection performed in Contract Year 5

Example 2 – two years of % change	Actuals			Benefits Projection	
	Contract Year 3	Contract Year 4	Contract Year 5	Contract Year 6	Contract Year 7
Total annual Benefits achieved	\$73.6M	\$79.5M	\$85.5M	\$91.9M	\$98.8M
Change	N/A	\$5.9M	\$6.0M		
% change	N/A	8%	7.5%		
Average % change	N/A	N/A	7.75%		
Calculation				Yr 5 actual Benefits x 1.0775	Yr 6 estimated Benefits x 1.0775

Sample Calculation – Benefits Projection performed in Contract Year 6

As indicated in the principles in Section 4.3.1 (*Principles*) of this Schedule, the projection is not meant to advantage one Party over the other. If:

- (i) the Parties determine new percentage shares of Benefits pursuant to Section 4.2 (*Benefit Sharing Steps*) of this Schedule, based on projections of future Benefits prepared using the methodology set out in this section; and

- (ii) the projections of future Benefits upon which the Parties' new percentage shares of Benefits are based are materially inaccurate, as demonstrated by the actual Benefits achieved in a Contract Year covered by the projection;

then the Parties shall adjust the projection and recalculate their respective percentage shares of Benefits in order to achieve that Net Margin at the applicable Benefits levels that is contemplated in Section 4.2 (*Benefit Sharing Steps*) of this Schedule.

4.3.3 Expedited dispute resolution

If, in connection with any determination of the Parties' share of Benefits under Section 4.2 (*Benefit Sharing Steps*) of this Schedule, the Parties are unable to agree on Benefits projections under section 4.3.2 (*Methodology*) of this Schedule within 30 days of the Benefit projections discussions, then the Benefits projections shall be determined under Article 26 (*Dispute Resolution*) of the Agreement as an Expedited Dispute.

While the dispute is being resolved under Article 26 (*Dispute Resolution*) of the Agreement, EDS' share of Benefits shall remain unchanged. EDS shall continue to invoice the Province for that percentage share of Benefits as to which EDS was invoicing the Province prior to the commencement of the dispute.

4.4 Benefit Baseline

In order to calculate the Benefits based on improved Revenue Realization Rate or improved Net Collection Rate, the Parties require a Benefits baseline for each Program against which improvements can be measured. This section sets out the Benefits baselines that have been agreed to by EDS and the Province or, where a Benefits Baseline has not been agreed, the methodology that the Parties have agreed to use to determine the baseline.

For the Medical Services Plan (MSP) Programs, the Benefits baseline is the weighted average of the Revenue Realization Rate for the past two Fiscal Years (two thirds of the Revenue Realization Rate for fiscal 2003/04 plus one third of the Revenue Realization Rate for fiscal 2002/03), expressed as a percentage. The Benefits baseline for the MSP PayDirect and the MSP Group are set out below. Appendix B (*Benefit Measurement MSP Baseline*) contains the data on the setting of the MSP PayDirect and MSP Group Benefits baselines using Revenue Realization Rates. MSP PayDirect has four baselines due to the revenue adjustment described in Section 4.5.3.3 Programs where revenue adjustment applies. The revenue adjustment was based on the same two thirds, one third ratio as per the above.

Program	Revenue Realization %
MSP PayDirect – Commencement to March 31, 2006	83.02%
MSP PayDirect – April 1, 2006 to March 31, 2007	86.78%
MSP PayDirect – April 1, 2007 to March 31, 2008	87.80%

Program	Revenue Realization %
MSP PayDirect – April 1, 2008 to end of agreement term	88.25%
MSP Group – agreement term	92.59%

For the following Programs, the Benefits baseline measured is the weighted average of the Net Collection Rate for the past two Contract Years (two thirds of the Net Collection Rate for fiscal 2003/04 plus one third of the Net Collection Rate for fiscal 2002/03), expressed as a monthly percentage. Appendix C (*Benefit Measurement CLMB Baseline*) contains the data on the setting of the Benefits baselines for the Collections Only Programs.

Program	Monthly Net Collection Rate
BC Student Loans (Program 12 and 19)	0.78%
BC Student Grant OverAwards (Program 20, 21, and 22)	1.46%
Direct Lend Student Loans (Program 26)	0.87%
Canada Mill Scholarships (Program 23)	Note (1)
Court Services (Program 27)	0.23%
Ambulance (Program 39)	1.18%
BC Benefits – Court (Program 25)	0.26%
BC Benefits (Program 24)	1.10%
MHR Sponsorship (Program 11)	Note (2)

Note (1): The Benefits baseline for Canada Mill Scholarships (Program 23) shall be set utilizing the same reports and methodology as is utilized for the other Collections Only Programs.

Note (2): The Ministry has been responsible for the MHR Sponsorship Overdue Revenues Program only since November 2003. A minimum of one year of collections' history is required to set a Benefits baseline for this Program (or, as set out below, for any new Program). The Benefits baseline (Net Collection Rate, expressed as a percentage) for this Program shall be set as of November 1, 2004 based on the prior twelve months data. The Parties agree that the Benefits baseline for this Program shall be established by the time that measurement of the Benefits achieved starts, as set out in Section 4.5.1 (*Commencement & Termination*) of this Schedule; provided that, if the Benefits baseline is not established by such time, then measurement of Benefits achieved for this Program shall be delayed until the Benefits baseline is established. The Benefits baseline for the MHR Sponsorship Overdue Revenues Program shall be set utilizing the same reports and methodology as is utilized for the other Collections Only Programs.

The Benefits baselines set out above shall be used for the balance of the Term of the Agreement and shall not be re-calculated or otherwise adjusted.

In connection with onboarding of any new Program, the Parties agree that a minimum of one year of Benefits data is required in order to establish a Benefits baseline for such Program.

4.5 Benefit Calculation

4.5.1 Commencement & Termination

4.5.1.1 Start date for measurement of Benefits

The start date for measurement of Benefits achieved shall be determined based on the Commencement Date.

If the Commencement Date is between the 1st of the month and the 15th of the month, measurement of Benefits achieved shall start on the first day of the second month following the month in which the Commencement Date occurs. For example, if the Commencement Date is between December 1 and December 15, Benefit measurement shall begin February 1, 2005. If the Commencement Date is between the 16th and last day of the month, measurement of Benefits achieved shall start on the first day of the third month following the month in which the Commencement Date occurs. For example, if the Commencement Date is between December 16 and December 31, Benefit measurement shall begin March 1, 2005.

4.5.1.2 Last month for Benefits sharing

The last month in which Benefits achieved will be measured and shared between the Parties shall be the month immediately following the month in which the Initial Term expires or the Agreement is terminated. For example, if the Agreement ends or is terminated in month X, month X+1 shall be the last month for which the Benefits achieved shall be calculated and a percentage thereof paid to EDS.

Notwithstanding the above paragraph, if the total Benefits achieved during the term of the Agreement are less than or equal to \$661 million at month X+1, then the last month in which Benefits achievement will be measured and shared between the Parties shall be month X + 2.

4.5.2 Benefit Interest Factor by Contract Year

The Benefits referred to in:

- (i) Section 4.5.3 (Improved Revenue Realization for Full Revenue Management Programs) of this Schedule;
- (ii) Section 4.4.4 (*Improved Net Collection Rate*) of this Schedule; and
- (iii) Section 4.4.6 (*Interest on Overdue Revenues*) of this Schedule;

are multiplied by the Benefit interest factor identified below (the “**Benefit Interest Factor**”) in order to account for the non-cash component of the total Benefit received by the Province (refer to paragraph (iii) of section 4.1 (*Benefits Fees Definition*) of this Schedule).

The Benefit Interest Factor represents the compounded cost of capital that shall be incorporated into the monthly Benefit calculations. The Benefit Interest Factor has been agreed to for each Contract Year or part thereof of the Term by the Province and EDS. It has been agreed to based

on the ratio between incremental cash and total financial benefit (which is inclusive of interest income). The Benefit Interest Factor was calculated using the \$661 million verified Benefits scenario, but would apply to any level of Benefits. The calculation and documentation of the Benefit Interest Factor by Contract Year or part thereof is set out in Appendix A (*Benefit Interest Factor and Verified Benefits*).

Benefit Interest Factor by Contract Year											
	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Index	1.024	1.024	1.061	1.072	1.125	1.180	1.235	1.292	1.349	1.407	1.442

4.5.3 Improved Revenue Realization for Full Revenue Management Programs

4.5.3.1 Full Revenue Management Programs

This Section describes how Benefits achieved with respect to the Full Revenue Management Programs shall be measured.

“**Full Revenue Management Programs**” refers to those Programs for which EDS is responsible for the entire revenue cycle (Billing or as soon as the debt is communicated to EDS through to the collection, remittance and application of the payment in the system). Initially, the only Full Revenue Management Programs are MSP PayDirect and MSP Group.

The Benefits measurement methodology described in this section for the Full Revenue Management Programs captures the Benefits associated with both improved ongoing Revenue Realization Rates and the collection of debts existing at the Commencement Date. The Parties have agreed that such Benefits shall be measured using total cash collected as a percentage of billed revenue, with the revenue adjustment as described in the sections below.

As new Programs are on-boarded, it will be determined whether the Programs fits into section 4.5.3.2 Programs where no revenue adjustment applies or section 4.5.3.3 Programs where revenue adjustment applies.

4.5.3.2 Programs where no revenue adjustment applies

Some Programs under Full Revenue Management do not require a revenue adjustment since they may not be materially impacted by such adjustments. At the time the Agreement is signed, MSP Group fits into the category where no revenue adjustment applies. The benefits calculation for such programs is described below.

The calculation of total cash collected as a percentage of billed revenue shall be performed monthly. However Benefits measurement shall be based on a six month rolling average of total cash collected and billed revenues. (The Parties have agreed that the six month rolling average will allow for seasonal variability in collections and will allow for a more accurate and consistent measurement of Benefits.) All available months shall be used until 6 months of history of cash collected and billed revenue data is reached.

The exact calculation for the monthly Benefit for the Full Revenue Management Programs, where no revenue adjustment applies, is shown in the following example with respect to MSP Group:

1. March 31st Benefit Calculation for MSP Group
 (October through March Cash) / 6 = \$80,000,000
 (October through March Billed Revenue) / 6 = \$85,000,000
 $\$80,000,000 / \$85,000,000 = 94.12\%$ revenue realization
 94.12% - 92.59% (the Benefits baseline Revenue Realization Rates for MSP Group, above which denotes a Benefit achieved)
 = 1.53 % improved Revenue Realization Rate
2. 1.53% x \$85,000,000 (Oct through March billed revenue)
 = \$1,300,500 in total Benefit
3. \$1,300,500 in total Benefit x 1.024 (Benefit Interest Factor in Contract Year 1, as example)
 = \$1,331,712

A percentage of this Benefit shall be paid to EDS based on the Benefit sharing percentages at that time. Section 4.2 (*Benefit Sharing*) of this Schedule describes how EDS' percentage share of Benefits is determined.

$$\begin{aligned} & \$1,331,712 \times 60\% \text{ (Step One EDS Benefit share, as example)} \\ & = \$799,027 \text{ (Revenue Realization Benefit Payment to EDS for the month)} \end{aligned}$$

Appendix D (*Benefit Calculation*) contains sample monthly Benefit calculations for Full Revenue Management Programs and for Collections Only Programs.

4.5.3.3 Programs where revenue adjustment applies

Some Programs under Full Revenue Management require a revenue adjustment due to the amount of revenue adjustments that occur in the Program. At the time the Agreement is signed, MSP PayDirect fits into the category where a revenue adjustment applies. The benefits calculation for such programs is described below.

As described in section 4.5.3.2 Programs where no revenue adjustment applies, the calculation of total cash collected as a percentage of billed revenue shall be performed monthly. However Benefits measurement shall be based on a six month rolling average of total cash collected, billed revenues and revenue adjustment. (The Parties have agreed that the six month rolling average will allow for seasonal variability in collections and will allow for a more accurate and consistent measurement of Benefits.) All available months shall be used until 6 months of history of cash collected and billed revenue data is reached. Where the program is defined to require a revenue adjustment, the revised calculation is shown in the example below. The example is based on the time period prior to April 1, 2006:

1. March 31st Benefit Calculation for MSP PayDirect

(October through March Cash) / 6 = \$70,000,000

(October through March Billed Revenue) / 6 = \$85,000,000

2. (October through March Revenue Adjustment) / 6 = 7.5%

Monthly reports will indicate the revenue adjustment activity

Revenue adjustments / Gross Billed Revenue = Revenue adjustment percentage

$\$85,000,000 \times (1 - 7.5\%) = \$78,625,000$ which is the Net Billed Revenue

$\$78,625,000 / \$85,000,000 = 89.03\%$ revenue realization

3. 89.03% - 83.02% (the Benefits baseline Revenue Realization Rates for MSP PayDirect, dependent on the contract year, above which denotes a Benefit achieved)

= 6.01 % improved Revenue Realization Rate

4. 6.01% x \$78,625,000 (Oct through March net billed revenue)

= \$4,725,363 in total Benefit

5. \$4,725,363 in total Benefit x 1.024 (Benefit Interest Factor in Contract Year 1, as example)

= \$4,838,771

A percentage of this Benefit shall be paid to EDS based on the Benefit sharing percentages at that time. Section 4.2 (*Benefit Sharing*) of this Schedule describes how EDS' percentage share of Benefits is determined.

$\$4,838,771 \times 60\%$ (Step One EDS Benefit share, as example)

= \$2,903,263 (Revenue Realization Benefit Payment to EDS for the month)

Appendix D (*Benefit Calculation*) contains sample monthly Benefit calculations for Full Revenue Management Programs and for Collections Only Programs.

4.5.4 Adjustments that impact the Improved Revenue Realization

4.5.4.1 Benefits Achievement Calculation Adjustment for Revenues Adjustments

4.5.4.1.1 Revenue Adjustments

Currently, the Ministry of Health Services and the Ministry of Provincial Revenue discover MSP PayDirect revenue adjustments that are corrected through periodic debit/credit adjustments. Examples of revenue adjustments are: (i) reduction to premium as a result of premium assistance; or (ii) where a person is charged an incorrect rate; but in neither case does the person pay the incorrect billing. The Province may also discover previously unbilled revenues that are reflected in the form of routine credit adjustments, e.g. where a person who moved to the Province was not being charged for MSP for a period of time.

4.5.4.1.2 Revenue Adjustment applied to the Benefits calculation

The adjusted baselines described above can be calculated, however the impact of the revenue adjustment to the Benefits achievement going forward will be based on the actual revenue adjustments made each Contract Year.

From the start of Benefits measurement to March 31, 2006, the Parties will only consider the current Contract Year's revenue adjustment percentage when calculating the improved revenue

realization. In the period April 2006 to March 2007, the Parties will consider the current Contract Year's and prior Contract Year's revenue adjustment percentages when calculating the improved revenue realization. In the period April 2007 to March 2008, the Parties will consider the current Contract Year's, the prior Contract Year's and the second prior Contract Year's revenue adjustment percentages when calculating the improved revenue realization. From April 2008 to the end of the Agreement, the Parties will consider all of revenue adjustment percentages when calculating the improved revenue realization.

4.5.4.1.3 Revised Revenue Adjustment Baselines and Principles

The Parties acknowledge that the Province's revenue adjustment percentages are based on the best information available at the time the Agreement is signed. If the Parties, working together, identify more accurate Province revenue adjustment percentages to be applied to the MSP PayDirect baselines, then the Province revenue adjustment percentages will be changed and the MSP PayDirect baselines revised accordingly. The revised MSP PayDirect baselines will be applied prospectively, from the time at which the new calculation is agreed.

The purpose of the change will be to improve the accuracy of the Province's revenue adjustment percentages applied to the MSP PayDirect baseline and is not intended to lead to any adjustment of the assumptions involved in the Benefits estimate of \$661 million over the term.

The basis for any adjustment will be that the proposed new revenue adjustment percentages are proven to be more accurate than the existing revenue adjustment percentages. If the proposed new percentages do not pass this test, the revenue adjustment percentages applied to the MSP PayDirect baseline will remain unchanged.

The adjustment may only be applied once and must be implemented before July 1, 2005. It will be effective in the month following implementation.

Having regard for the time limit, if the Parties can not reach agreement on either the need for a change or the actual change to the Province revenue adjustment percentages applied to the MSP PayDirect baseline, the matter will be escalated through the Governance Process by June 1, 2005. If not resolved through the Governance Process by June 30, 2005, the matter will be referred to Expedited Dispute Resolution.

4.5.4.1.4 Effect of Premium Changes on Revenue Adjustment

A MSP Premium change of less than 10% will require a prospective revision of prior year revenue adjustments. The calculation is for all the prior year adjustments based on the prior premium rate multiplied by (1+ percentage change in the Premium rate).

This adjustment is being made for the purposes of calculating the revenue realization rate after the Premium change occurs.

A MSP Premium change of 10% or greater is addressed in Schedule 19.

4.5.4.2 MSP Refunds

Refunds typically result when the Ministry of Health Services charges an incorrect rate for MSP Premiums and/or retroactively provides premium assistance to a person who has been paying the

MSP bills. Since incorrect payments have been received by the Ministry, a refund is required. Refunds are tracked as part of collection data in order to show the effectiveness of existing billing and collection functions. However refunds have not been and shall not be included in either total cash collected or the billed revenue amount.

4.5.5 Improved Net Collection Rate

This Section describes how Benefits achieved with respect to Collections Only Programs shall be measured.

“Collections Only Programs” refers to those Programs for which EDS is responsible for only the collections segment of the revenue cycle. The initial Collections Only Programs are listed in section 4.4 (*Benefit Baseline*) of this Schedule. (The assumption is that the Collections Only Programs will be migrated to Full Revenue Management Programs in the future, after which the Benefits measurement methodology applicable to the Full Revenue Management Programs shall apply.)

The Benefits measurement methodology described in this section for Collections Only Programs captures Benefits associated with improved Net Collection Rates. The Parties have agreed that such Benefits shall be measured using net cash collections as a percent of overdue revenues referred to the Ministry.

The calculation of net cash collections as a percent of overdue revenues shall be performed monthly. However Benefits measurement shall be based on a 6 month rolling average of cash collections divided by overdue account balance. The Parties have agreed that the six-month calculation will allow for seasonal variability in collections and will allow for a more accurate and consistent measurement of Benefits.) All available months shall be used until 6 months of history of cash collected and total overdue revenues is known.

The exact calculation of the monthly Benefit for the Collections Only Programs is shown in the following example with respect to Court Fines:

1. March 31st Benefit Calculation for Court Fines
(October through March Cash) / 6 = \$50,000
(October through March Total Overdue Program Balances) / 6 = \$7,000,000
 $\$50,000 / \$7,000,000 = 0.71\%$
 $0.71\% - 0.23\%$ (Benefits baseline for Court Fines)
= 0.48 % improved revenue realization
2. $0.48\% \times \$7,000,000$
= \$33,600
3. $\$33,600 \times 1.024$ (Benefit Interest Factor in Contract Year 1, as example)
= \$34,406 (Total Benefit)

A percentage of this Benefit shall be paid to EDS based on the Benefit sharing percentages at that time. Section 4.2 (*Benefit Sharing*) of this Schedule describes how EDS percentage share of Benefits is determined.

4. $\$34,406$ in total Benefit x 60% (Step One EDS Benefit share, as example)
= \$20,644

Appendix D (*Benefit Calculation*) contains sample monthly Benefit calculations for Full Revenue Management Programs and for Collections Only Programs.

4.5.6 Write-offs

Write-offs are applicable to Collections Only Programs as the write-off impacts the accounts receivable balance used in the Net Collection Rate percentage.

The Program Ministries will retain the unconditional right to determine account write off policies and procedures. As such, EDS is unable to affect the write off amount and therefore the net collection rate will not be impacted by the amount of write offs.

Notwithstanding the above, if a Program Ministry makes a material change to their write off policies or procedures, or the administration thereof, the Parties, through the Governance Process will determine if the material change results in a substantial change in the Benefits achievement calculation. The Parties will consider what changes to the net collection rate calculation, if any, may be required to compensate for the change in write off policy or procedure. The purpose of the change will be to improve the accuracy of the Benefits achievement calculation and is not intended to lead to any adjustment of the assumptions involved in the Benefits estimate of \$661 million over the Term.

The basis for any adjustment will be that any material changes to the write-off policies and procedures do not result in a distorted net collection rate. Any proposed change must result in a more accurate Net Collection Rate percentage. If it does not pass this test, the baselines will remain unchanged.

If the Parties cannot come to agreement on the adjustment required for write-offs related to policies and procedure changes, the matter will be referred to Expedited Dispute Resolution.

Any change shall be applied prospectively.

4.5.7 Interest on Overdue Revenues

This Benefit applies where, prior to the Commencement Date (or the date of Program onboarding for future Programs) the Province did not charge interest on past due amounts due to systems or other limitations, e.g. MSP PayDirect (“**Eligible Interest**”). The interest Benefit does not apply to Programs in respect of which the Province was charging and collecting interest prior to the Commencement Date or the date of Program onboarding, as the case may be.

Eligible Interest charged on overdue revenues enabled and collected by EDS shall be tracked on a monthly basis. EDS’ share of the Benefit shall consist of aggregate Eligible Interest payments times the EDS Benefit percentage.

The exact calculation for the monthly Benefit associated with Eligible Interest collected is shown in the following example:

1. Aggregate Eligible Interest collected for the Month
= \$50,000
2. \$50,000 x 1.024 (Benefit Interest Factor in Contract Year 1)
= \$51,200
3. \$51,200 x 60% (Step One EDS Benefits share, as example)
= \$30,720 (Total Eligible Interest Benefit payment to EDS for the month)

4.6 Benefits Shortfall

The Benefits calculations set out in Section 4.5.3 (*Improved Revenue Realization for Full Revenue Management*) and Section 4.5.5 (*Improved Net Collection Rate*) of this Schedule are based on improved ongoing revenue realization or improved net collections, as the case may be. However if, in providing the Services, EDS should fail to achieve the Benefits baseline revenue realization ratios established for a Program, and subject to Article 27 (*Uninterruptible Services and Force Majeure*) of the Agreement, there will be a Benefits shortfall. It will be necessary to adjust for the Benefits shortfall in the Benefits calculation and payment methodologies.

The Parties have agreed that adjustments in respect of Benefit shortfalls shall only be made within Contract Years and shall not be made across Contract Year boundaries.

There are two potential scenarios in which a Benefits shortfall could occur. These scenarios and the consequences to the Benefits calculation and payment methodologies are described below.

Scenario One: In this scenario, Benefits have been accrued and paid on a Program in the Contract Year and a shortfall month occurs within the Contract Year. EDS shall provide a credit to the Province, calculated by reference to the specific Program and EDS' Benefit sharing percentage, to a maximum of the Benefits received by EDS in the Contract Year with respect to the Program.

An example of this with respect to MSP PayDirect Benefits is as follows:

- Total MSP PayDirect Benefits achieved in the Contract Year to Date = \$1,000,000 (includes Benefit Interest Factor)
- % of MSP PayDirect Benefits paid to EDS = 60% (Step One EDS Benefits share, as example)
= \$600,000
- Current Month MSP PayDirect revenue realization shortfall amount, based on the six month rolling average calculation = \$300,000 (assumed to include Benefit Interest Factor)
- In this scenario, 60% (Step One EDS Benefits share, as example) of the \$300,000 would be credited to the Province on the next invoice.

If, in this example, the share of MSP PayDirect Benefits paid to EDS in the Contract Year up to the month in which the Benefits shortfall occurred had been \$150,000, then EDS would provide the Province with a credit on the next invoice in the amount of \$150,000 and the remaining \$30,000 would be treated by the Parties in accordance with Scenario Two below.

Scenario Two: In this scenario, no Benefits have been accrued on a Program in a Contract Year or all Benefits for the Program have been refunded to the Province and a shortfall month occurs within the Contract Year. In this case, the Benefits shortfall shall be included in calculation of the six month rolling average.

An example of this is as follows:

- Total MSP PayDirect Benefits achieved in the Contract Year to Date = \$0
- % of MSP PayDirect Benefits paid to EDS (Step One EDS Benefits share, as example)
= 60%
- Current Month MSP PayDirect Shortfall amount = \$500,000

In this Scenario, 60% of the \$500,000 would be a Benefit credit for the MSP PayDirect Program. The six month rolling average and the Contract Year reconciliation (see section 4.8 (*Reconciliation*) of this Schedule) shall net the credit amount against Benefits before the Benefit payment turns positive.

Appendix D (*Benefits Calculation*) contains an example of a Benefits shortfall.

4.7 No Netting of Benefits Among Programs

There shall be no Benefits netting among Programs for shortfall situations. For example, if results of the Services for a certain Program (e.g., MSP PayDirect) are such that a Benefits shortfall results for the Program and generates a Benefit credit, that credit cannot be applied or set off against Benefits achieved with respect to any other Program.

4.8 Reconciliation

There will be a reconciliation of Benefits within each Program:

- (i) at the end of each Contract Year; and
- (ii) when the respective Benefit share percentages of EDS and the Province change or with respect to a discontinued or diminishing Program (see section 4.9 (*Discontinued or Diminishing Programs*) of this Schedule), at such time as the monthly Benefits calculation falls below the Benefits baseline.

If a Benefit calculation is reconciled within a Contract Year as a result of a change in EDS' percentage share of Benefits, the time period that is part of the first reconciliation shall not be included in the Contract Year reconciliation. For example, if EDS percentage share of Benefits changes in June of a Contract Year, then: (i) a reconciliation shall be performed for the period April - June of such Contract Year; and (ii) the reconciliation for the Contract Year shall only be completed for the period of July to March.

In the event of an adjustment as described Section 4.5.4.1 Benefits Achievement Calculation Adjustment for Revenues, there will be a reconciliation at the time of the change for the period from the end of the prior fiscal year up to the time of the change. A second reconciliation for the balance of the fiscal year will be done at the end of the fiscal year in which the change was made for the period from the time of the change to the end of the fiscal year.

The purpose of the Benefit reconciliation shall be to reconcile, by Program, the aggregate Benefits received by EDS on a monthly basis during the reconciliation period with the Benefits payable to EDS when the Benefits calculations are performed for the Program with respect to the entire reconciliation period. In no event shall EDS be required to pay to the Province, in connection with any reconciliation and with respect to any Program, an amount greater than the Benefits received by EDS during the period covered by the reconciliation. Further, there shall be no reconciliation across Programs.

The formula for the periodic Benefit reconciliation is illustrated in the following example where the Benefits measurement methodology is based on Revenue Realization Rates and the reconciliation period is the Contract Year:

1. Total cash collected for the Contract Year = \$450,000,000

Total Billed Revenue for the Contract Year = \$550,000,000

2. Revenue Realization Rate
= $\$450,000,000 / \$550,000,000$
= 81.82%
3. Improvement
= 81.82% - 79.70%
= 2.12%
4. Benefits due in respect of the Contract Year
= 2.12% x \$550,000,000
= \$11,660,000 x 1.024 (Benefit Interest Factor in Year 1)
= \$11,939,840

If the total Benefit reconciliation amount for the Contract Year exceeds the payments made during for the Contract Year, then EDS shall be entitled to invoice the Province and the Province shall pay EDS, the differential in the final payment of the Contract Year.

If the Benefit reconciliation amount for the Contract Year is less than the payments made for the Contract Year, then EDS shall credit the Province with the differential on the next invoice. For example:

1. Sum of 12 monthly Benefits calculations (including Benefit Interest Factor) for the Program
= \$12,000,000
2. Benefits calculation for Contract Year Reconciliation for the Program
= \$11,939,840 (see above)
3. Additional Amount due to EDS or (credit to MPR)
= $(\$11,939,840 - \$12,000,000) \times 60\%$ (Step One EDS Benefits share, as example)
= (\$36,096)

The Month 13 Bill to the Province shall reflect a credit to the Province of \$36,096 to account for the overpayment of Benefits. Appendix D (*Benefits Calculation*) contains an example of the Contract Year reconciliation.

The above examples describe the reconciliation for Programs where no revenue adjustment is needed. For Programs with a revenue adjustment, the reconciliation will take into account the revenue adjustment for that year (current year adjustment plus prior years).

4.9 Discontinued or Diminishing Programs

Where one of the Programs for which EDS provides Revenue Services is winding down, the Benefits calculation for such Program will need to be reviewed and the Benefits calculation methodology revised. Such review and revision will be necessary because, at some point, the amount of outstanding receivables shall be too small compared to the previous balances to continue to calculate the Revenue Realization Rate or the Net Collection Rate.

Following notification from the Ministry or the Program Ministry that a Program has been discontinued, EDS and the Province shall continue to calculate Benefits in accordance with the Benefits calculation methodology set out above, until such time as the Revenue Realization Rate or the Net Collection Rate, as the case may be, for a month (the "Trigger Month") and for the Program, falls below the Benefits baseline. When the Trigger Month occurs:

- (i) this shall indicate the Parties' entitlement to Benefits for the Program should no longer be calculated using a 6 month rolling average. After such point, EDS shall calculate Benefits in those months for which the Revenue Realization Rate or the Net Collection Rate is greater than the Benefits baseline, but the Benefits calculation shall no longer be based on rolling six month average but on a monthly basis only and shall not net or average months where the applicable rate is below the Benefits baseline; and
- (ii) EDS shall perform a reconciliation in accordance with section 4.8 (*Reconciliation*) of this Schedule) for those months of the Contract Year to the Trigger Month but shall not be required to perform any further reconciliations for such Program.

The Parties have agreed that this will continue to provide EDS with the incentive to collect on the old outstanding amounts, without the concern that previous Benefits earned during a Contract Year will be lost due to the averaging.

A change to Program policy or eligibility, where the Program is not discontinued but, by nature of the change, the volume is decreased to the point where EDS can no longer collect amounts in excess of the Benefits baseline, may produce a diminishing Program. Calculation of Benefits for a diminishing Program (including in respect of reconciliations) shall be done in the same way as described for discontinued Programs above.

5. FEE ADJUSTMENTS

5.1 Project Work

An amount has been included for capital project work (Work-in-Progress Projects) in the Base fees for the Contract Years commencing on the Commencement Date and on April 1, 2005.

04/05	05/06	Total
\$889,000	\$2,111,000	\$3,000,000

Any work required to complete the Work-in-Progress Projects over and above the work that can be completed within the amounts allotted for the Contract Years identified above or any new capital projects shall be completed by way of a Change Order and/or RMOP process. It shall be at the Province's discretion to continue with projects or proceed with additional work once the capital project funds identified above have been consumed during the applicable Contract Year.

No capital project funds were provided for in the Base Case for Contract Years beginning on or after April 1, 2006.

Larger scale project work shall be handled through the Change Order Process set out in the Agreement.

5.2 Inflation

The Base Fees shall be adjusted in accordance with this Section 5.2.

5.2.1 Compensation Inflation

EDS shall be entitled to receive increases in the compensation component of the Base Fees as follows:

1. The provisions of this section shall apply with respect to each increase in compensation agreed to by the Province and the BCGEU. For the purposes of this section, "increase in compensation" includes salary increases, wage adjustments, increases in fringe/benefits, pension increases or other increases given in lieu of salary increases that impacts total compensation.
2. With respect to each such increase in compensation, the Parties shall agree on the calculation of the percentage increase (the "Percentage Increase") in compensation that such increase represents.
3. EDS Base Fees shall be increased by:

$$70\% \quad \times \quad \text{the Percentage Increase} \quad \times \quad \text{EDS' total compensation costs for the preceding Contract Year}$$

The Province shall pay such inflation increase amount which may be paid out of the Province's share of Benefits.

4. The formula set out above assumes that the compensation increase agreed to by the Province and the BCGEU is for a Contract Year. If the compensation increase is negotiated in respect of some period other than a Contract Year, the increase shall be prorated accordingly. For example, if the increase was for 3% from July 1, 2005 to March 31, 2007, the increase shall be applied to EDS cost as:

			Pro-rate increase between years
July 1, 2005 to March 31, 2006	9 months	43%	1.3%
April 1, 2006 to March 31, 2007	12 months	57%	1.7%
Total	21 months	100%	3.0%

5. The inflation adjustment shall be applied to the Base Fees in April each year, unless delayed by BCGEU negotiation. In this case any agreed retroactivity shall apply. Each

Contract Year's inflation adjustment with respect to compensation is compounded to the prior Contract Year(s) inflation adjustment.

6. In the event the Province negotiates a compensation roll-back, there shall be no decrease in the Base Fee price from EDS to the Province.
7. If: (i) increases are implemented other than on an annual basis effective April 1 in each year; (ii) increases are implemented at different rates for employees in different job classifications; or (iii) EDS' job classifications are different from those of the Province; then the Parties shall cooperate to determine the appropriate adjustment having regard to the purpose of this section.

5.2.2 Non-Compensation Inflation

If the British Columbia Consumer Price Index ("BC CPI") is at April 1 in any year higher (the "Current Index") than the BC CPI one year prior thereto (the "Base Index") then the Base Fees shall be increased by:

50%	X	the percentage that the Current Index increased from the Base Index	X	EDS' total non compensation costs for the preceding Contract Year
-----	---	---	---	---

If the BC CPI is negative, there shall be no decrease in EDS' Base Fees.

BC CPI is located through the Statistics Canada web site (as at September 2004: www.statcan.ca) or the BC Stats web site (as at September 2004: www.bcstats.gov.bc.ca). The BC Stats web site references Statistics Canada tables for BC CPI.

5.3 Government Rates

If EDS is not permitted access to the government rates for services or databases provided by the Province or other government organizations in the support of the Services (which includes access at no charge), then there shall be an increase in the Base Fees.

Appendix F (Skip Trace Databases) contains a complete list of skip trace databases accessed and in respect of which the current fees, or where no fees are currently charged to access the database or included in the EDS Cost Model.

5.4 Volume Changes

Refer to Schedule 19 RMOP.

5.5 Other fee adjustments

Refer to Schedule 19 RMOP.

6. BASE FEE ADJUSTMENT FOR PENSIONS

When the next actuarial valuation of the Public Sector Pension Plan is performed (currently scheduled for March 31, 2005), any adjustment to the employer contribution rate (the components of the current employer contribution rate being set out in the table below), either by way of lump sum or by month, shall result in an adjustment to the Base Fees. For the purposes of determining the amount of the adjustment to the Base Fees, (i) the employer contribution rate used to calculate the adjustment shall be the employer contribution rate resulting from the March 31, 2005 actuarial valuation; (ii) the adjustment shall be determined with respect to all EDS employees who are members of the Public Sector Pension Plan; and (iii) the adjustment shall be applied to the period from the effective date of the new employer contribution rate to the end of the Term.

Pension changes that result from actuarial valuations, other than the actuarial valuation scheduled for March 31, 2005 shall not result in any further adjustment to the Base Fees.

For example, the current employer contribution rate is 4.25% of earnings up to the YMPE (\$40,500 in 2004) plus 5.75% of earnings in excess of the YMPE plus 2.50% of total earnings for the Inflation Adjustment Account ("IAA"). If the employer contribution rate increases by 1% for earnings up to YMPE, 1.5% for earnings in excess of YMPE, and the IAA increases 0.25% as a result of the next valuation, then the Province shall absorb the additional increase by increasing the Base Fee paid to EDS. The adjustment to Base Fees is calculated based on the actual monthly earnings at the point in time that the Public Sector Pension Plan implemented the change in the employer contribution rates through to the end of Term.

A sample calculation at the time of a change in the employer contribution rate is set out below. Sample amounts (other than with respect to the current employer contribution rates which are actual rates at the Effective Date) have been used.

	A	B	A+B	
	Earnings up to YMPE	Earnings in excess of YMPE	Plus 2.5% of total earnings	Total Cost
Monthly Earnings	\$1,000,000	\$450,000	1,450,000	
Current Employer Contribution Rate	4.25%	5.75%	2.5%	
New Employer Contribution Rate	5.25%	7.25%	2.75%	
Employer Contribution Rate Change	1.0%	1.5%	0.25%	
Increased monthly cost	\$10,000	\$6,750	\$3,625	\$20,375

EDS Overhead and profit at an 8.5% Net Margin shall be added to the total monthly cost increase to calculate the monthly increase in Base Fees.

The Province shall not cover any additional costs that are attributable to increases in benefits provided under the Public Sector Pension Plan after the Commencement Date.

7. METHOD OF PAYMENT

7.1 Sample Invoice

Appendix E contains a sample invoice.

Appendix G contains the list of reports used to produce the Benefit calculation.

7.2 Benefits

The First Invoice in a month for Benefits shall be 50% of the previous month's Benefits invoice (based on the six (6) month rolling average) invoiced on the 15th calendar day. The Second Invoice for Benefits shall be calculated as described in Section 4.5 (*Benefit Calculation*) of this Schedule for the entire calendar month, less the mid-month Benefit payment.

For example, the First Invoice for month 6 is \$250,000. If the Benefits calculations demonstrate that the amount owing for month 6 in respect of Benefits is \$550,000, then the Second Invoice for month 6 is \$550,000 less the \$250,000 paid on the First Invoice for a total amount due on the Second Invoice of month 6 of \$300,000. The First Invoice for month 7 is \$275,000 (50% of month six's \$550,000 total). The Second Invoice for month 7 is calculated as \$643,000 less the \$275,000 paid on month seven's First Invoice for a total amount due on the Second Invoice of month 7 of \$368,000 (\$643,000 less \$275,000).

Invoice month	First Invoice	Total for invoice month	Second Invoice
Month 6	\$250,000	\$550,000	\$550,000 less \$250,000 equals \$300,000
Month 7	50% of month 6 invoice \$550,000 x 50% equals \$275,000	\$643,000	\$643,000 less \$275,000 equals \$368,000
Month 8	50% of month 7 invoice \$643,000 x 50% equals \$321,500	\$300,000	\$300,000 less \$321,500 equals credit of (\$21,500)

7.2.1 First month of Benefits invoice

The invoice for the first month of Benefits shall not have a mid-month invoice. Since there is no previous month to use as the 50%, the Benefit calculation shall apply at the end of the month invoice (Second Invoice).

8. SPECIFIED PAYMENTS

The Province has the option of making specified payments to EDS for specific deliverables or when specific milestones have been reached. These payments shall also serve to reduce the overall interest charge caused by EDS' negative cashflow. The Province's payments shall be factored into the Economic Model in the month they are received.

The Province's specified payments shall begin to be credited back to the Province the month after EDS has overall positive cash flow on the Agreement. The repayment of the total amount of lump sum payments shall be divided equally between the next 100 semi-monthly invoices and the amount applied as a credit to each invoice. For example, if the Province makes specified payments to EDS for \$5 million, after EDS has overall positive cash flow on the Agreement, \$5 million / 100 invoices = \$50,000 shall be credited to the Province on the next 100 invoices over a 50 month timeframe.

Any amount which remains unpaid at the expiration of the Agreement shall be due in full at such expiration. In connection with any other termination of the Agreement, such amounts have been taken into account in determining the termination fees payable under Schedule 31 (*Termination Fees*) and are not separately repayable.

9. FINANCIAL REPORTING AND FINANCIAL AUDIT OR VALIDATION OF EDS

9.1 Financial Monitor

The Province shall appoint a third party Financial Monitor who shall have ongoing financial reporting and audit responsibilities for the Province in conjunction with the Services EDS provides. The Province shall use reasonable efforts to engage the Financial Monitor on a long-term basis in order to provide the Province with information while minimizing the cost to EDS.

The Financial Monitor may not be a Competitor. [

9.2 Financial Reporting

EDS shall provide the Financial Monitor with a financial summary report in form of Appendix H (*Financial Summary Report*) (the "**Financial Report**").

9.2.1.1 EDS Confidential Information

The Province acknowledges that the information contained in the Financial Report constitutes EDS Confidential Information. The Financial Report shall not be used by the Province or disclosed to any person except as provided in this Article.

9.2.1.2 Access to the Financial Reporting

EDS shall provide access to the EDS Confidential Information (including the Financial Report) to the Financial Monitor and such employees thereof as require access to EDS Confidential Information in connection with the performance of their duties, and which employees have been approved by EDS acting reasonably, having regard to the reputation of such individuals and their skills and experience in light of their job responsibilities (the "**Financial Monitor Team**").

EDS shall provide the Deputy Minister and the Senior Financial Officer (SFO) of the Ministry with access to the Financial Report.

Such individuals shall sign the Non-Disclosure Agreement at the time that the Financial Monitor Team is engaged.

9.2.1.3 Contract Roles for the Individuals with access to the Financial Report

No member of the Financial Monitor Team shall have any operational role in connection with the Agreement or provide any information or advice to the Province in conjunction with the Agreement other than as outlined in this Schedule. No individual who is a member of the Financial Monitor Team may be involved in the analysis of any EDS proposal to the Ministry during the period such individual is a member of the Financial Monitor Team and for a period of two years thereafter. If, as a result of a government reorganization, the Ministry is merged or combined with another ministry, part or agency of the Government of British Columbia, then the above restriction relating to EDS proposals to the Ministry shall apply only to proposals submitted to the branch or division of the merged entity that is responsible for managing the Agreement, and shall not apply to the merged entity as a whole.

If the Ministry hires any member of the Financial Monitor Team, then such individual shall not have any operational role in connection with the Agreement or provide any information or advice to the Ministry in conjunction with the Agreement or services provided by EDS to the Ministry for a period of two years after such individual is hired by the Ministry or such shorter period of time as is two years after the individual ceased to be a member of the Financial Monitor Team (the "**Restriction**"). If, as a result of a Government reorganization, the Ministry is merged or combined with another ministry, part or agency of the Government of British Columbia, then the Restriction shall apply only to the branch or division of the merged entity that is responsible for managing the Agreement and will not apply to the merged entity as a whole.

The SFO shall not be involved in, or provide advice for, any negotiations affecting EDS during the term of the Agreement. This includes, but is not limited to, negotiations around CBARs, Change Orders, On-boarding of Programs or other work EDS is providing to the Province.

The SFO shall be permitted to be involved in negotiations regarding a renewal of the Agreement or a procurement or other related process in connection with the selection of a new service provider for the Services. Although permitted to be involved in these negotiations, the information the SFO possesses is confidential and may not be discussed or otherwise shared with other people engaged by the Province.

9.2.1.4 Frequency of Financial Reporting

An uncertified Financial Report shall be provided by EDS to the Financial Monitor, Deputy Minister and SFO on a quarterly basis.

The Financial Report certified by the EDS CFO shall be provided by EDS to the Deputy Minister, SFO and Financial Monitor on an annual basis.

9.3 Audits of the Financial Reporting

The Financial Monitor may request further information from EDS in order to validate and confirm the accuracy of quarterly and annual Financial Reports and such other information as may be required to validate EDS' investment in connection with any calculation of termination fees under Schedule 31 (*Termination Fees*). In the case of the annual certified Financial Report, the request for information may take the form of annual audits of the EDS financial system data. The following provisions of Subsection 16.17 (*General Principles*) of the Agreement shall apply to the Financial Monitor in carrying out its role pursuant to this Article 9: (b), (d), (e), (f) to the extent applicable, (g) to the extent applicable, and (h).

The Financial Monitor may request EDS data that would typically be part of an audit verification. EDS data requested by the Financial Monitor shall be provided by EDS on a timely basis. The audit is of EDS financial data related to the Agreement and does not allow the Financial Monitor access to financial data of EDS sub-contractors or data for other contracts. This section does not preclude the Financial Monitor from accessing sufficient EDS data to verify EDS' cost allocation processes.

9.3.1.1 Access to detailed audit information

The Financial Monitor may not share the detailed audit information with those who are provided access to the Financial Reporting. The Financial Monitor may answer general questions and present findings but may not release information more detailed than that provided in the Financial Reporting.

9.3.1.2 Certification of EDS Calculations to the Province

As a result of the annual audit, the Financial Monitor may provide certification of EDS calculations for:

- Point where the share of Benefits change
- Interest calculations
- Inflation adjustments
- Benefits invoicing accuracy
- Approved CBARs and Special CBARs
- Other EDS costs, required to administer payments by the Province to EDS

10. DEFINITIONS

“Allowed Cost” means:

- (i) during such period of time as Benefits achieved are less than \$661 million, modelled costs adjusted for Change Orders;
- (ii) during such period of time as Benefits achieved are greater than or equal to \$661 million and less than or equal to \$800 million, the lesser of actuals or modelled costs adjusted for Change Orders and CBARs and the Special CBAR; and Modelled RMS Build costs; or

- (iii) during such period of time as Benefits achieved are greater than \$800 million, Modelled Costs adjusted for Change Orders, approved CBAR's, Special CBARs, actual inflation costs, and up to \$10 million of other costs (other than in respect of the RMS Build for which modelled costs plus Change Orders plus CBARs shall continue to be used) but excluding EDS Excluded Costs.

“**Base Case**” means the MPR Base Case Operating Costs, as set out in the Economic Model.

“**Benefit Interest Factor**” has the meaning set out in Section.

“**BC CPI**” has the meaning set out in section 5.3.3.

“**CBAR**” has the meaning specified in Section 2.2 (*Cost Based Adjustment Requests (CBARs)*) of this Schedule and includes Special CBARs.

“**Collections Only Programs**” has the meaning set out in Section 4.5.5 (*Improved Net Collection Rate*) of this Schedule.

“**Cost Saving Benefit**” has the meaning set out in section 3.4.1 (*EDS Cost Savings Principles*).

“**CRA**” Canada Revenue Agency (formerly Canada Customs and Revenue Agency)..

“**EDS Overhead**” has the meaning set out in Section 2.1.1 (*EDS Overhead*) of this Schedule.

“**EDS Cost**” has the meaning set out in Section 2 (*EDS Cost*) of this Schedule.

“**EDS Cost Model**” means the document entitled Modelled EDS Cost version 4.10 and dated the Effective Date, as initialled by the Parties for identification.

“**EDS Investment**” has the meaning set out in section 3.2 (*Interest on the EDS investment*) of this Schedule.

“**EDS Excluded Costs**” has the meaning set out in section **Error! Reference source not found.** (*Error! Reference source not found.*).

“**Eligible Interest**” has the meaning set out in section 4.5.7 (*Interest on Overdue Revenues*) of this Schedule.

“**Fiscal Year**” means the Province of British Columbia’s fiscal year from April 1 to March 31.

“**Full Revenue Management Program**” has the meaning set out in Section 4.5.3.1 (*Full Revenue Management Programs*) of this Schedule.

“**IAA**” has the meaning set out in Article 6 (*Base Fee Adjustment for Pensions*).

“**Net Collection Rate**” applies to Collection Only Programs, A monthly measure to calculate cash collected as a percent of the account overdue receivable balance for which EDS is responsible.

“**Net Margin**” is calculated, at any time, as Net Profit at such time divided by Total Revenue at such time.

“Net Profit” is calculated, at any time, as Total Revenue at such time less Allowed Cost at such time.

“Onboarding” the act of integrating other Programs, aside from the initial Programs, into EDS’ scope of operations.

“Revenue Realization Rate” applies to Full Revenue Management Programs, a monthly measure to calculate total cash collections as a percent of gross revenue billed.

“Special CBARs” has the meaning set out in Section 3.4 (*EDS Cost Savings*).

“Stub Year” period from the day of contract sign to the end of that fiscal year. For example, if contract sign is November 15, 2004 the stub year is November 15, 2004 to March 31, 2005.

“Total Revenue” means, at any time, the total of Base Fees and Benefits paid to EDS during the Term of the Agreement up to and including such time.

**APPENDIX A TO SCHEDULE 23
CALCULATE BENEFIT INTEREST FACTOR TO APPLY TO CASH COLLECTIONS**

Stub Yr	Yr 1 2005/06	Yr 2 2006/07	Yr 3 2007/08	Yr 4 2008/09	Yr 5 2009/10	Yr 6 2010/11	Yr 7 2011/12	Yr 8 2012/13	Yr 9 2013/14	Yr 10 2014/15	Total
Cash component of benefits	10.65	36.87	50.49	51.96	53.27	55.07	56.52	58.24	59.84	61.75	536.90
Interest component of benefits	0.26	2.26	3.62	6.50	9.60	12.94	16.50	20.32	24.37	27.30	124.68
	---	---	---	---	---	---	---	---	---	---	---
	10.91	39.13	54.10	58.46	62.87	68.01	73.02	78.56	84.21	89.05	661.57
Interest factor on cash component	1.024	1.061	1.072	1.125	1.180	1.235	1.292	1.349	1.407	1.442	

Appendix A
Monthly Benefit Projection
\$661M Total Benefits

	2005												
(Assumes start on Nov 1 Commencement)	1	2	3	4	5	6	7	8	9	10	11	12	13
	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Collections on Provisions	0.59	1.19	1.78	2.37	4.41	2.94	1.47	1.47	1.47	1.47	1.47	0.00	0.00
Cost of Capital on Provisioned A/R	0.03	0.03	0.03	0.03	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Improved Revenue Realization	0.47	0.94	1.42	1.89	3.94	3.94	1.58	1.58	1.58	1.58	1.58	1.58	1.58
Cost of Capital Improved Revenue Realization	0.01	0.02	0.03	0.04	0.10	0.10	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Charge Interest on Overdues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.06	0.06
Cost of Capital (Intria)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cost of Capital (Compounded Interest)	0.00	0.00	0.01	0.01	0.03	0.03	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Motor Vehicle Fines (includes compounded interest)	0.00	0.00	0.00	0.00	0.11	0.11	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Retime for December 6 commencement	-1.11	-2.19	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-0.50	0.04	0.04
Total	0.00	0.00	2.27	3.34	7.61	6.14	2.15	2.15	2.15	2.15	2.70	1.74	1.74

Seasonal / Monthly Factor

Collections on Provisions	0.10	0.20	0.30	0.40	0.30	0.20	0.10	0.10	0.10	0.10	0.10	0.06	0.06
Cost of Capital on Provisioned A/R	0.25	0.25	0.25	0.25	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Improved Revenue Realization	0.10	0.20	0.30	0.40	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Cost of Capital Improved Revenue Realization	0.10	0.20	0.30	0.40	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Charge Interest on Overdues	0.10	0.20	0.30	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.10	0.10
Cost of Capital (Intria)	0.25	0.25	0.25	0.25	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08

Appendix A
Monthly Benefit Projection
\$661M Total Benefits

	2007													
(Assumes start on Nov 1 Commencement)	14	15	16	17	18	19	20	21	22	23	24	25	26	27
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
Collections on Provisions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cost of Capital on Provisioned A/R	0.01	0.01	0.01	0.06	0.06	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04
Improved Revenue Realization	1.58	2.63	3.15	5.07	5.07	2.03	2.03	2.03	2.03	2.03	2.03	2.03	2.03	3.38
Cost of Capital Improved Revenue Realization	0.04	0.07	0.08	0.20	0.20	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.13
Charge Interest on Overdues	0.11	0.11	0.17	0.14	0.14	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.09
Cost of Capital (Intria)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cost of Capital (Compounded Interest)	0.01	0.02	0.02	0.06	0.06	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.04
Motor Vehicle Fines (includes compounded interest)	0.04	0.07	0.09	0.33	0.33	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.22
Retime for December 6 commencement														
Total	1.79	2.91	3.53	5.87	5.87	2.35	2.35	2.35	2.35	2.35	2.35	2.35	2.35	3.91

Seasonal / Monthly Factor

Collections on Provisions														
Cost of Capital on Provisioned A/R	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10
Improved Revenue Realization	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10
Cost of Capital Improved Revenue Realization	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10
Charge Interest on Overdues	0.20	0.20	0.30	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10
Cost of Capital (Intria)	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08

Appendix A
Monthly Benefit Projection
\$661M Total Benefits

	28	29	30	31	32	33	34	35	36	37	38	39	40	41
(Assumes start on Nov 1 Commencement)	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
Collections on Provisions	0.00													
Cost of Capital on Provisioned A/R	0.05	0.06	0.06	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.05	0.06
Improved Revenue Realization	4.05	6.87	6.87	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	5.49	7.08
Cost of Capital Improved Revenue Realization	0.16	0.35	0.35	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.23	0.28	0.69
Charge Interest on Overdues	0.11	0.26	0.26	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.18	0.21	0.27
Cost of Capital (Intria)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cost of Capital (Compounded Interest)	0.05	0.11	0.11	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.07	0.09	0.18
Motor Vehicle Fines (includes compounded interest)	0.27	0.46	0.46	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.31	0.37	0.49
Retime for December 6 commencement														
Total	4.69	8.11	8.11	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	5.41	6.49	8.77

Seasonal / Monthly Factor

Collections on Provisions														
Cost of Capital on Provisioned A/R	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15
Improved Revenue Realization	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15
Cost of Capital Improved Revenue Realization	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15
Charge Interest on Overdues	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15
Cost of Capital (Intria)	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08

Appendix A
Monthly Benefit Projection
\$661M Total Benefits

	2009													
(Assumes start on Nov 1 Commencement)	42	43	44	45	46	47	48	49	50	51	52	53	54	55
	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Collections on Provisions														
Cost of Capital on Provisioned AVR	0.06	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.05	0.06	0.06	0.03
Improved Revenue Realization	7.08	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	4.72	5.66	7.26	7.26	2.90
Cost of Capital Improved Revenue Realization	0.69	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.46	0.55	1.03	1.03	0.41
Charge Interest on Overdues	0.27	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.18	0.22	0.28	0.28	0.11
Cost of Capital (Intria)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cost of Capital (Compounded Interest)	0.18	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.12	0.14	0.27	0.27	0.11
Motor Vehicle Fines (includes compounded interest)	0.49	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.33	0.39	0.52	0.52	0.21
Retime for December 6 commencement														
Total	8.77	3.51	3.51	3.51	3.51	3.51	3.51	3.51	3.51	5.85	7.01	9.43	9.43	3.77

Seasonal / Monthly Factor

Collections on Provisions														
Cost of Capital on Provisioned AVR	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15	0.15	0.06
Improved Revenue Realization	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15	0.15	0.06
Cost of Capital Improved Revenue Realization	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15	0.15	0.06
Charge Interest on Overdues	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15	0.15	0.06
Cost of Capital (Intria)	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08

Appendix A
Monthly Benefit Projection
\$661M Total Benefits

(Assumes start on Nov 1 Commencement)	56	57	58	59	60	61	62	63	64	65	66	67	68	69
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
Collections on Provisions														
Cost of Capital on Provisioned AVR	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.05	0.06	0.06	0.03	0.03	0.03
Improved Revenue Realization	2.90	2.90	2.90	2.90	2.90	2.90	2.90	4.84	5.81	7.52	7.52	3.01	3.01	3.01
Cost of Capital Improved Revenue Realization	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.69	0.83	1.39	1.39	0.56	0.56	0.56
Charge Interest on Overdues	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.19	0.22	0.29	0.29	0.11	0.11	0.11
Cost of Capital (Intria)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cost of Capital (Compounded Interest)	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.18	0.21	0.38	0.38	0.15	0.15	0.15
Motor Vehicle Fines (includes compounded interest)	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.34	0.41	0.55	0.55	0.22	0.22	0.22
Retime for December 6 commencement														
Total	3.77	3.77	3.77	3.77	3.77	3.77	3.77	6.29	7.54	10.20	10.20	4.08	4.08	4.08

Seasonal / Monthly Factor

Collections on Provisions														
Cost of Capital on Provisioned AVR	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06
Improved Revenue Realization	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06
Cost of Capital Improved Revenue Realization	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06
Charge Interest on Overdues	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06
Cost of Capital (Intria)	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08

Appendix A
Monthly Benefit Projection
\$661M Total Benefits

	2011													
(Assumes start on Nov 1 Commencement)	70	71	72	73	74	75	76	77	78	79	80	81	82	83
	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Collections on Provisions														
Cost of Capital on Provisioned A/R	0.03	0.03	0.03	0.03	0.03	0.04	0.05	0.06	0.06	0.03	0.03	0.03	0.03	0.03
Improved Revenue Realization	3.01	3.01	3.01	3.01	3.01	5.01	6.01	7.72	7.72	3.09	3.09	3.09	3.09	3.09
Cost of Capital Improved Revenue Realization	0.56	0.56	0.56	0.56	0.56	0.93	1.12	1.77	1.77	0.71	0.71	0.71	0.71	0.71
Charge Interest on Overdues	0.11	0.11	0.11	0.11	0.11	0.19	0.23	0.30	0.30	0.12	0.12	0.12	0.12	0.12
Cost of Capital (Intria)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cost of Capital (Compounded Interest)	0.15	0.15	0.15	0.15	0.15	0.26	0.31	0.52	0.52	0.21	0.21	0.21	0.21	0.21
Motor Vehicle Fines (includes compounded interest)	0.22	0.22	0.22	0.22	0.22	0.36	0.44	0.58	0.58	0.23	0.23	0.23	0.23	0.23
Retime for December 6 commencement														
Total	4.08	4.08	4.08	4.08	4.08	6.80	8.16	10.95	10.95	4.38	4.38	4.38	4.38	4.38

Seasonal / Monthly Factor

Collections on Provisions														
Cost of Capital on Provisioned A/R	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06
Improved Revenue Realization	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06
Cost of Capital Improved Revenue Realization	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06
Charge Interest on Overdues	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06
Cost of Capital (Intria)	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08

Appendix A
Monthly Benefit Projection
\$661M Total Benefits

	84	85	86	87	88	89	90	91	92	93	94	95	96	97
(Assumes start on Nov 1 Commencement)	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Collections on Provisions														
Cost of Capital on Provisioned A/R	0.03	0.03	0.03	0.04	0.05	0.06	0.06	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Improved Revenue Realization	3.09	3.09	3.09	5.15	6.18	7.97	7.97	3.19	3.19	3.19	3.19	3.19	3.19	3.19
Cost of Capital Improved Revenue Realization	0.71	0.71	0.71	1.18	1.41	2.15	2.15	0.86	0.86	0.86	0.86	0.86	0.86	0.86
Charge Interest on Overdues	0.12	0.12	0.12	0.20	0.24	0.30	0.30	0.12	0.12	0.12	0.12	0.12	0.12	0.12
Cost of Capital (Intria)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cost of Capital (Compounded Interest)	0.21	0.21	0.21	0.35	0.42	0.68	0.68	0.27	0.27	0.27	0.27	0.27	0.27	0.27
Motor Vehicle Fines (includes compounded interest)	0.23	0.23	0.23	0.39	0.46	0.61	0.61	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Retime for December 6 commencement														
Total	4.38	4.38	4.38	7.30	8.76	11.78	11.78	4.71	4.71	4.71	4.71	4.71	4.71	4.71

Seasonal / Monthly Factor

Collections on Provisions														
Cost of Capital on Provisioned A/R	0.06	0.06	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Improved Revenue Realization	0.06	0.06	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Cost of Capital Improved Revenue Realization	0.06	0.06	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Charge Interest on Overdues	0.06	0.06	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Cost of Capital (Intria)	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08

Appendix A
Monthly Benefit Projection
\$661M Total Benefits

	2013												2014		
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	
(Assumes start on Nov 1 Commencement)															
Collections on Provisions															
Cost of Capital on Provisioned A/R	0.03	0.04	0.05	0.06	0.06	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04	
Improved Revenue Realization	3.19	5.31	6.37	8.19	8.19	3.28	3.28	3.28	3.28	3.28	3.28	3.28	3.28	5.46	
Cost of Capital Improved Revenue Realization	0.86	1.43	1.72	2.54	2.54	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.69	
Charge Interest on Overdues	0.12	0.20	0.24	0.31	0.31	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.21	
Cost of Capital (Intria)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Motor Vehicle Fines (includes compounded interest)	0.27	0.45	0.54	0.87	0.87	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.58	
Retime for December 6 commencement	0.25	0.41	0.49	0.65	0.65	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.43	
Total	4.71	7.86	9.43	12.63	12.63	5.05	5.05	5.05	5.05	5.05	5.05	5.05	5.05	8.42	

Seasonal / Monthly Factor

Collections on Provisions														
Cost of Capital on Provisioned A/R	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10
Improved Revenue Realization	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10
Cost of Capital Improved Revenue Realization	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10
Charge Interest on Overdues	0.06	0.10	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10
Cost of Capital (Intria)	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08

Appendix A
Monthly Benefit Projection
\$661M Total Benefits

	2015													
	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
(Assumes start on Nov 1 Commencement)														
Collections on Provisions														
Cost of Capital on Provisioned A/R	0.05	0.06	0.06	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.05	0.06
Improved Revenue Realization	6.55	8.47	8.47	3.39	3.39	3.39	3.39	3.39	3.39	3.39	3.39	5.64	6.77	8.47
Cost of Capital Improved Revenue Realization	2.03	2.95	2.95	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.97	2.36	2.95
Charge Interest on Overdues	0.25	0.32	0.32	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.22	0.26	0.32
Cost of Capital (Intria)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cost of Capital (Compounded Interest)	0.69	0.87	0.87	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.58	0.69	0.00
Motor Vehicle Fines (includes compounded interest)	0.52	0.68	0.68	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.46	0.55	0.00
Retime for December 6 commencement														
Total	10.10	13.35	13.35	5.34	5.34	5.34	5.34	5.34	5.34	5.34	5.34	8.90	10.68	11.81

Seasonal / Monthly Factor

Collections on Provisions														
Cost of Capital on Provisioned A/R	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15
Improved Revenue Realization	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15
Cost of Capital Improved Revenue Realization	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15
Charge Interest on Overdues	0.12	0.15	0.15	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.12	0.15
Cost of Capital (Intria)	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08

Appendix A
Monthly Benefit Projection
\$661M Total Benefits

<u>(Assumes start on Nov 1 Commencement)</u>	<u>Total</u>
Collections on Provisions	20.63
Cost of Capital on Provisioned A/R	4.21
Improved Revenue Realization	480.40
Cost of Capital Improved Revenue Realization	90.79
Charge Interest on Overdues	17.41
Cost of Capital (Intria)	0.39
Cost of Capital (Compounded Interest)	26.37
Motor Vehicle Fines (includes compounded interest)	33.17
Retime for December 6 commencement	-11.81
Total	661.57

Seasonal / Monthly Factor

Collections on Provisions
Cost of Capital on Provisioned A/R
Improved Revenue Realization
Cost of Capital Improved Revenue Realization
Charge Interest on Overdues
Cost of Capital (Intria)

Appendix A -- Val Benefits \$661M

1. Baseline Data

Baseline (\$M)	194.65 growth rate															
	2000/01	2001/02	2002/03	2003/04	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue	358	382	543	559	559	565	582	599	617	636	655	675	695	716	737	759
MSP Premiums (PayDirect)	19	21	34	34	34	34	34	34	34	34	34	34	34	34	34	34
Ministry of Human Resources	88	85	66	63	63	63	63	63	63	63	63	63	63	63	63	63
Motor Vehicle Fines																
In Scope Benefit Revenue																
MSP Premiums (PayDirect)																
Ministry of Human Resources																
Motor Vehicle Fines																
Total A/R																
MSP Premiums (PayDirect)	81	125	217	281	285	340	358	377	397	418	439	461	485	509	535	561
Ministry of Human Resources	227	239	229	229	229	230	230	230	230	230	230	230	230	230	230	230
Motor Vehicle Fines	117	123	121	118	118	118	118	118	118	118	118	118	118	118	118	118
DRO																
MSP Premiums	83	119	146	183	186	220	225	230	235	240	245	250	255	260	265	270
Ministry of Human Resources	4,385	4,110	2,437	2,458	2,437	2,448	2,448	2,448	2,448	2,448	2,448	2,448	2,448	2,448	2,448	2,448
Motor Vehicle Fines	488	526	669	684	684	684	684	684	684	684	684	684	684	684	684	684
Annual Allowance for Doubtful																
MSP Premiums	12	36	78	80	80	94	97	100	103	106	109	112	116	119	123	126
Ministry of Human Resources	31	16	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Motor Vehicle Fines		1	3	8	8	8	8	8	8	8	8	8	8	8	8	8
Provision for Doubtful																
MSP Premiums	64	97	174	55	236											
Ministry of Human Resources	201	215	207	210	210											
Motor Vehicle Fines	14	24	45	85	85											

Note: Sample indicated \$217 should be the appropriate provision

2. Benefits

	194.65 growth rate															
	2000/01	2001/02	2002/03	2003/04	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
MSP Premiums	31	16	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Ministry of Human Resources																
Motor Vehicle Fines																
Growth in Rev																
Growth in Rev																
Growth in Rev																

Note: Sample indicated \$217 should be the appropriate provision

2.1 Collect on accounts previously allowed for (one time collections impact on previously provisioned accounts):

	194.65 growth rate															
	2000/01	2001/02	2002/03	2003/04	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Write off to bad debt																
MSP Premiums	238	84%	9.1%	25 in 04/05	19.08	4.8	14.31									
Ministry of Human Resources	114	85%	1.4%	75 in 04/05	1.55	1.2	0.39									
Motor Vehicle Fines	19				20.63	5.93	15									
Total																
Notes:																

2.2 Cash Available to Government for Cost of Capital

	194.65 growth rate															
	2000/01	2001/02	2002/03	2003/04	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Write off to bad debt																
MSP Premiums																
Ministry of Human Resources																
Motor Vehicle Fines																
Total																
Notes:																

Cost of Capital on Collections of Provisioned A/R - The Benefit

	194.65 growth rate															
	2000/01	2001/02	2002/03	2003/04	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
MSP Premiums																
Ministry of Human Resources																
Motor Vehicle Fines																
Total																
Notes:																

1. Cost of capital

	194.65 growth rate															
	2000/01	2001/02	2002/03	2003/04	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
MSP Premiums																
Ministry of Human Resources																
Motor Vehicle Fines																
Total																
Notes:																

2. Cost of capital

	194.65 growth rate															
	2000/01	2001/02	2002/03	2003/04	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
MSP Premiums																
Ministry of Human Resources																
Motor Vehicle Fines																
Total																
Notes:																

2.3 Reduce Lost Annual Revenue/Improve Revenue Realization												
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
MSP Premiums			3.3	23.5	31.3	43.2	44.5	45.8	47.2	48.6	50.1	51.6
Ministry of Human Resources				0.1	0.4	0.5	0.7	0.7	0.7	0.7	0.7	0.7
Court Fines **				0.5	0.7	0.9	0.9	0.7	0.8	0.7	0.8	0.8
Student Loans **				0.2	0.4	0.5	0.7	0.6	0.8	0.9	1.1	1.2
Ambulance Fees **				0.5	0.7	0.8	0.5	0.5	0.5	0.5	0.4	0.4
Student Grant OverAwards **				0.2	0.6							
Total			4.72	26.28	33.77	45.79	47.18	48.41	50.12	51.48	53.12	54.62
Notes:												
1. Annual lost revenue %												
2. Target Lost Revenue %												
3. Overall Revenue Realization Improvement												
4. Calculation = % improvement x annual revenues												

** refers to improved MPR net collection rate - CLMB only

2.4 Cash Available to Government for Cost of Capital Improvement												
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
MSP Premiums			1.14	8.23	10.94	15.13	35.61	36.68	37.78	38.91	40.08	41.28
Ministry of Human Resources (provision only for Closed Debt)				0.02	0.14	0.18	0.24	0.55	0.55	0.55	0.55	0.55
Court Fines **				0.17	0.23	0.31	0.24	0.69	0.56	0.67	0.58	0.63
Student Loans **				0.07	0.14	0.19	0.23	0.46	0.52	0.74	0.88	0.99
Ambulance Fees **				0.18	0.25	0.20	0.19	0.44	0.43	0.42	0.34	0.36
Student Grant OverAwards **				0.07	0.21							
Total			2	9	12	16	38	39	40	41	42	44
Notes:												
1. Cost of Capital												
** refers to improved MPR net collection rate - CLMB only												

2.4 Cost of Capital on Improved Revenue Realization												
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
MSP Premiums			0.1	0.58	1.22	2.13	4.26	6.46	8.73	11.07	13.47	15.95
Ministry of Human Resources (provision only for Closed Debt)				0.0	0.01	0.02	0.03	0.07	0.10	0.13	0.20	0.23
Court Fines **				0.0	0.02	0.04	0.06	0.10	0.13	0.17	0.24	0.28
Student Loans **				0.0	0.01	0.02	0.04	0.06	0.10	0.14	0.18	0.23
Ambulance Fees **				0.00	0.03	0.04	0.05	0.08	0.10	0.13	0.15	0.19
Student Grant OverAwards **				0.00	0.02							
Total			0.10	0.65	1.34	2.30	4.57	6.89	9.30	11.77	14.32	16.94
Notes:												
1. Cost of Capital												
** refers to improved MPR net collection rate - CLMB only												

2.5 Charge Interest on overdue AIR amounts												
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
MSP Premiums			18.85									
Ministry of Human Resources												
Total			18.85									
Notes:												
1. Interest Rate												
2. Percent of AIR where interest is not currently charged												
3. Interest Collection rate												

2.5 Cost of Capital for Reduced Deposit Cycle Time												
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Consumer Tax Branch			1,404,567,585									
Income Tax Branch			214,916,997									
Medical Services Premiums			988,193,554									
Total			3,832,774									
Notes:												
1. Annual Check Deposits												
2. Bank Days												
3. Average Daily Deposit												
4. Cycle Time Reduction (In Days)												
5. Cost of Capital												

2.7 Cost of Capital (Compounded Interest)												
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
MSP Premiums			23.19									
Ministry of Human Resources												
Court Fines												
Student Loans												
Ambulance Fees												
Student Grant OverAwards												
Consumer Tax Branch												
Income Tax Branch												
Total -- excluding motor vehicle fines			26.37									
Notes:												
1. Cost of Capital												
** refers to improved MPR net collection rate - CLMB only												

Appendix A -- Va 1 Benefits \$661M

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Total	\$ 587.83	\$ 621	\$ 39.06	\$ 33.82	\$ 47.49	\$ 50.97	\$ 54.56	\$ 58.28	\$ 62.07	\$ 65.89	\$ 70.03	\$ 74.19
MSP Premiums	\$ 10,277	\$ 1,24	\$ 0.83	\$ 0.58	\$ 0.78	\$ 0.81	\$ 0.85	\$ 0.88	\$ 0.91	\$ 0.95	\$ 0.98	\$ 1.01
Ministry of Human Resources	\$ 17,606	\$ 0.49	\$ 0.69	\$ 0.93	\$ 0.74	\$ 0.96	\$ 0.83	\$ 1.01	\$ 0.91	\$ 1.05	\$ 0.98	\$ 1.10
Court Fines	\$ 7,245	\$ 0.20	\$ 0.40	\$ 0.56	\$ 0.70	\$ 0.63	\$ 0.74	\$ 0.87	\$ 1.11	\$ 1.34	\$ 1.49	\$ 1.72
Student Loans	\$ 7,283	\$ 0.53	\$ 0.73	\$ 0.61	\$ 0.59	\$ 0.63	\$ 0.63	\$ 0.66	\$ 0.68	\$ 0.80	\$ 0.62	\$ 0.67
Ambulance Fees	\$ 0.441	\$ 0.21	\$ 0.62	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student Grant OverAwards	\$ 0.28	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02
Consumer Tax Branch	\$ 0.04	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Income Tax Branch	\$ 628.40	\$ 11	\$ 42	\$ 37	\$ 50	\$ 54	\$ 58	\$ 62	\$ 66	\$ 70	\$ 74	\$ 79
Total -- excluding motor vehicle fines	\$ 602.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 661.57											
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 26.23	\$ -	\$ 0.7	\$ 2.1	\$ 2.8	\$ 2.9	\$ 2.9	\$ 2.9	\$ 2.9	\$ 3.0	\$ 3.0	\$ 3.0
	\$ 4.94	\$ -	\$ 0.01	\$ 0.06	\$ 0.12	\$ 0.26	\$ 0.39	\$ 0.53	\$ 0.68	\$ 0.82	\$ 0.96	\$ 1.11
	\$ 1.01	\$ -	\$ 0.0	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
	\$ 1.00	\$ -	\$ 0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2	\$ 0.3
TOTAL MOTOR VEHICLE FINE BENEFIT	\$ 33.17	\$ -	\$ 0.72	\$ 2.21	\$ 3.07	\$ 3.26	\$ 3.45	\$ 3.65	\$ 3.86	\$ 4.08	\$ 4.32	\$ 4.56
	\$ 18.46	\$ -	\$ 0.24	\$ 0.73	\$ 0.99	\$ 2.29	\$ 2.31	\$ 2.33	\$ 2.36	\$ 2.38	\$ 2.40	\$ 2.43

Benefit including "cost of capital (compounded interest)" & "MVP"
 Benefit excluding "cost of capital (compounded interest)"

Motor Vehicle Fines
 Cost of Capital on Collections of Provisioned A/R - The Benefit
 Motor Vehicle Fines
 2.3 Reduce Lost Annual Revenue/Improve Revenue Realization
 Motor Vehicle Fines
 2.4 Cost of Capital on Improved Revenue Realization
 Motor Vehicle Fines
 2.5 Charge Interest on overdue A/R amounts
 Motor Vehicle Fines
 2.7 Cost of Capital Compounded Interest
 Motor Vehicle Fines
TOTAL MOTOR VEHICLE FINE BENEFIT

Not part of total -- used to calc above
 2.4 Cash Available to Government for Cost of Capital Improvement
 Motor Vehicle Fines

**APPENDIX B TO SCHEDULE 23
BENEFIT MEASUREMENT
MSP PAYMENT TRENDS AND BASELINE CALCULATION**

Month Billed	New Premiums		Total MSP		Gross PayDirect			Net PayDirect Baselines			Total		Group Baseline	
	Pay Direct \$ Value	Group \$ Value	Total Billings	Total Cash	Collection Rate	PayDirect Cash	Collection Rate	Current Year Net Baseline to Mar31, 2006	Current+1 Prior Net Baseline Year 2	Current+2 Prior Net Baseline Year 3	Year 4 on	GROUP TOTAL	Collection Rate	
Apr-02	\$ 46,434,937	\$ 75,640,812	\$ 123,075,749	\$ 92,984,890	76%	\$ 41,842,540	90%	91%	95%	96%	96%	\$ 51,142,351	86%	
May-02	\$ 46,556,752	\$ 76,750,546	\$ 123,307,298	\$ 114,463,046	93%	\$ 41,466,903	89%	90%	94%	94%	95%	\$ 72,996,144	95%	
Jun-02	\$ 48,148,057	\$ 78,061,549	\$ 126,209,606	\$ 99,788,144	79%	\$ 30,653,229	64%	65%	67%	67%	68%	\$ 89,134,914	89%	
Jul-02	\$ 48,089,399	\$ 76,563,705	\$ 124,653,104	\$ 112,100,800	90%	\$ 42,187,726	88%	91%	93%	93%	93%	\$ 69,912,874	91%	
Aug-02	\$ 47,799,547	\$ 76,884,214	\$ 124,683,761	\$ 114,142,971	92%	\$ 39,640,829	83%	87%	89%	89%	90%	\$ 74,502,142	97%	
Sep-02	\$ 47,741,578	\$ 76,477,376	\$ 124,218,954	\$ 104,508,783	84%	\$ 28,438,603	60%	62%	64%	64%	64%	\$ 76,070,180	99%	
Oct-02	\$ 47,795,482	\$ 77,165,829	\$ 124,961,311	\$ 125,960,817	101%	\$ 45,307,864	103%	103%	105%	106%	106%	\$ 80,652,952	105%	
Nov-02	\$ 47,748,965	\$ 77,531,744	\$ 125,280,709	\$ 112,952,471	90%	\$ 39,692,400	83%	87%	90%	91%	91%	\$ 73,260,071	94%	
Dec-02	\$ 48,110,816	\$ 77,837,388	\$ 125,948,204	\$ 93,584,169	74%	\$ 30,167,107	63%	65%	66%	67%	67%	\$ 63,417,062	81%	
Jan-03	\$ 48,055,908	\$ 77,012,794	\$ 125,068,702	\$ 117,243,454	94%	\$ 38,277,286	80%	86%	89%	89%	89%	\$ 78,966,168	103%	
Feb-03	\$ 48,420,275	\$ 77,821,905	\$ 126,242,180	\$ 108,079,469	86%	\$ 34,631,605	72%	70%	73%	74%	74%	\$ 73,447,864	94%	
Mar-03	\$ 48,308,646	\$ 77,489,570	\$ 130,187,197	\$ 109,415,835	84%	\$ 30,780,062	64%	74%	77%	78%	78%	\$ 78,635,773	96%	
Apr-03	\$ 48,276,686	\$ 77,634,133	\$ 125,798,216	\$ 115,926,895	92%	\$ 43,753,784	91%	91%	98%	100%	100%	\$ 72,173,111	93%	
May-03	\$ 49,100,420	\$ 78,147,470	\$ 127,247,890	\$ 116,969,204	92%	\$ 40,512,936	84%	86%	96%	98%	99%	\$ 65,604,509	85%	
Jun-03	\$ 48,842,625	\$ 77,365,235	\$ 126,007,860	\$ 119,833,167	95%	\$ 39,752,156	81%	85%	92%	94%	94%	\$ 77,217,048	99%	
Jul-03	\$ 48,929,628	\$ 77,367,150	\$ 126,296,778	\$ 119,833,167	95%	\$ 43,028,429	88%	94%	100%	102%	103%	\$ 76,804,739	99%	
Aug-03	\$ 48,674,375	\$ 77,302,901	\$ 125,977,276	\$ 96,617,325	77%	\$ 37,092,311	76%	77%	80%	81%	82%	\$ 59,525,014	77%	
Sep-03	\$ 49,046,471	\$ 77,079,604	\$ 126,126,075	\$ 110,950,486	88%	\$ 36,375,529	75%	78%	81%	82%	83%	\$ 74,574,957	96%	
Oct-03	\$ 49,191,046	\$ 76,675,220	\$ 125,866,266	\$ 115,353,281	91%	\$ 44,113,757	91%	95%	98%	100%	100%	\$ 70,639,524	92%	
Nov-03	\$ 49,199,822	\$ 77,616,390	\$ 126,816,212	\$ 109,576,357	87%	\$ 38,707,028	79%	82%	84%	85%	86%	\$ 70,869,332	92%	
Dec-03	\$ 50,127,502	\$ 76,656,325	\$ 126,783,827	\$ 109,117,513	86%	\$ 39,387,395	80%	85%	88%	89%	90%	\$ 69,730,118	90%	
Jan-04	\$ 50,262,906	\$ 74,965,518	\$ 125,228,424	\$ 108,309,887	85%	\$ 37,800,859	75%	72%	75%	76%	77%	\$ 70,509,028	92%	
Feb-04	\$ 50,141,755	\$ 74,996,027	\$ 125,137,782	\$ 109,566,894	87%	\$ 37,392,656	74%	79%	82%	83%	83%	\$ 72,174,238	96%	
Mar-04	\$ 1,162,841,732	\$ 1,853,192,407	\$ 3,016,034,199	\$ 2,636,607,248	87.42%	\$ 920,226,944	79.14%	82.53%	85.95%	86.80%	87.18%	\$ 1,176,380,304	92.62%	
TOTAL														
02/03 Collection Rate					86.85%	\$ 477,140,791	77.34%	80.94%	83.36%	83.75%	83.97%		92.71%	
03/04 Collection Rate					87.98%		80.88%	84.07%	88.50%	89.83%	90.39%		92.52%	
Weighted Average					87.61%		79.70%	83.02%	86.78%	87.80%	88.25%		92.59%	

(2/3 weighted for 03/04 and 1/3 weighting for 02/03)

**Backup to Appendix B
Billing and Receivables
MSP PayDirect**

Month	Total (Net)/Adj. \$	Current	Prior Year	Prior 2 Years	Other	Total \$ Billed	Ratio Current	Ratio 1 Yr	Ratio 2 Yr	Ratio 2+	Total
Oct. 2004	1,444,292.39	1,175,450.40	1,099,910.71	-534,364.27	-296,704.45	50,810,665.00	2%	2%	-1%	0%	3%
Sept. 2004	4,466,135.10	-2,134,686.16	-1,530,626.25	-517,147.45	-283,675.24	50,891,592.00	-4%	-3%	-1%	0%	-8%
Aug. 2004	3,340,627.95	1,211,053.42	-1,453,321.15	-455,538.47	-220,714.91	50,912,742.00	-2%	-3%	-1%	0%	-6%
July 2004	4,688,330.49	-1,788,751.14	-2,014,230.77	-606,006.82	-279,341.76	51,710,142.00	-3%	-4%	-1%	0%	-9%
June 2004	8,730,337.40	-2,308,275.41	-4,403,569.57	-1,363,862.20	-654,630.22	52,605,709.00	-4%	-8%	-3%	0%	-15%
May 2004	4,573,159.11	-952,418.12	-2,640,977.00	-713,222.91	-266,541.08	49,787,284.00	-2%	-5%	-1%	0%	-9%
Apr. 2004	5,443,945.64	-507,520.25	-3,607,294.24	-907,769.50	-421,361.65	50,020,542.00	-1%	-7%	-2%	0%	-10%
Total 2004/05	-29,798,243.30	-7,727,254.10	-14,550,108.27	-5,097,911.62	-2,422,969.31	356,738,676.00	-2.17%	-4.08%	-1.43%	0.00%	-7.67%

MSP Premium Change - Adjustment Factor for Prior Years: 1 1.5 1.5 1.5

FY 2003/2004	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Apr-03	-4,287,483.78	-245,512.62	-3,363,547.48	-507,941.46	-170,482.22	48,308,646.00	-1%	-7%	-2%	-1%	-10%
May-03	6,955,066.45	-1,388,953.77	-4,817,766.19	-533,728.81	-214,617.68	48,276,686.00	-3%	-10%	-2%	-1%	-15%
Jun-03	6,671,222.80	-2,447,802.68	-3,601,894.26	-436,578.44	-184,947.42	49,100,420.00	-5%	-7%	-1%	-1%	-14%
Jul-03	6,440,230.19	-2,770,034.98	-3,000,293.57	-467,328.19	-202,573.45	48,642,625.00	-6%	-6%	-1%	-1%	-14%
Aug-03	3,343,313.20	-876,972.39	-1,834,014.30	-433,768.90	-198,557.61	48,929,628.00	-2%	-4%	-1%	-1%	-7%
Sep-03	4,525,827.88	-2,290,784.00	-1,643,671.40	-421,176.98	-170,195.50	48,674,375.00	-5%	-3%	-1%	-1%	-10%
Oct-03	4,111,527.35	-1,751,634.76	-1,758,031.53	-429,177.94	-172,683.12	49,046,471.00	-4%	-4%	-1%	-1%	-9%
Nov-03	3,738,714.41	-1,999,224.03	-1,324,656.98	-286,007.09	-128,826.31	49,191,046.00	-4%	-3%	-1%	0%	-8%
Dec-03	5,027,474.27	-2,856,746.07	-1,611,665.06	-404,687.34	-154,375.80	49,199,822.00	-6%	-3%	-1%	0%	-11%
Jan-04	467,364.65	2,074,098.56	-1,968,114.73	-397,891.92	-175,456.56	49,498,645.00	4%	-4%	-1%	0%	-2%
Feb-04	5,186,934.37	-3,175,091.71	-1,476,451.45	-366,638.38	-168,752.83	50,262,906.00	-6%	-3%	-1%	-1%	-11%
Mar-04	7,510,138.61	-4,614,352.45	-2,003,011.30	-631,068.44	-261,706.42	50,141,755.00	-9%	-4%	-2%	-1%	-16%
Total 2003/04	-58,265,297.96	-22,343,010.90	-28,403,118.25	-5,315,993.89	-2,203,174.92	589,273,025.00	-3.79%	-4.82%	-1.35%	-0.56%	-10.53%

MSP Premium Change - Adjustment Factor for Prior Years: 1 1 1.5 1.5 1.5

FY 2002/2003	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Apr-02	-1,997,181.69	-253,419.25	-1,527,030.61	-142,319.93	-74,411.90	46,434,937.00	-1%	-5%	0%	0%	-6%
May-02	-2,021,107.33	-702,296.42	-1,163,207.64	-102,519.56	-53,083.71	46,556,752.00	-2%	-4%	0%	0%	-6%
Jun-02	-2,244,076.64	-1,213,277.47	-880,549.37	-96,840.19	-53,409.61	48,148,057.00	-3%	-3%	0%	0%	-6%
Jul-02	-2,375,555.64	-1,595,126.00	-637,412.57	-88,389.40	-54,627.67	48,089,399.00	-3%	-2%	0%	0%	-6%
Aug-02	-3,211,544.87	-2,467,888.48	-578,733.31	-101,168.56	-63,754.52	47,799,547.00	-5%	-2%	0%	0%	-7%
Sep-02	-2,969,533.03	-2,140,929.85	-637,927.58	-111,304.72	-79,370.88	47,741,578.00	-4%	-2%	0%	0%	-7%
Oct-02	4,613,729.08	-3,731,735.99	-692,746.92	-115,758.17	-73,488.00	47,795,482.00	-8%	-2%	0%	0%	-11%
Nov-02	-3,416,134.76	-2,363,326.45	-760,306.11	-190,345.93	-102,156.27	47,748,965.00	-5%	-2%	-1%	0%	-8%
Dec-02	-2,581,516.31	-1,953,905.97	-455,062.16	-101,770.96	-70,777.22	48,110,816.00	-4%	-1%	0%	0%	-6%
Jan-03	4,698,182.44	-3,710,598.67	-753,345.55	-149,649.03	-84,589.19	48,055,908.00	-8%	-2%	0%	0%	-11%
Feb-03	-606,008.15	1,299,434.49	-1,522,557.80	-279,532.31	-103,352.53	48,420,275.00	3%	-5%	-1%	0%	-3%
Mar-03	-7,936,449.40	-6,649,095.30	-991,942.75	-202,416.87	-92,994.48	48,038,195.00	-14%	-3%	-1%	0%	-18%
Total 2002/03	-38,671,019.34	-25,482,165.36	-10,600,822.37	-1,682,015.63	-906,015.98	572,939,911.00	-4.45%	-2.78%	-0.44%	-0.24%	-7.90%

MSP Premium Change - Adjustment Factor for Prior Years: 1 1.5 1.5 1.5 1.5

APPENDIX C TO SCHEDULE 2B
 BENEFITS MEASUREMENT
 COLLECTION AND LOAN MANAGEMENT BRANCH - RETAIL LOANS
 BALANCE SHEET

	FY 2020												TWO-YEAR AVERAGE		
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$			
REGULAR LOANS (1) & (2)	110,204	102,127	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427
NEW ACCOUNTS	110,204	102,127	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427
PAYMENTS RECEIVED (OLMB)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
PAYMENTS RCOV (COA)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
LESS REVERSALS	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
NET PAYMENTS RECEIVED	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
ADJUSTMENTS	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
MONTHLY NET COLLECTION RATE	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Rolling Average Net Collection Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
REGULAR LOANS (3) & (4)	110,204	102,127	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427
NEW ACCOUNTS	110,204	102,127	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427
PAYMENTS RECEIVED (OLMB)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
PAYMENTS RCOV (COA)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
LESS REVERSALS	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
NET PAYMENTS RECEIVED	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
ADJUSTMENTS	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
MONTHLY NET COLLECTION RATE	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Rolling Average Net Collection Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
REGULAR LOANS (5) & (6)	110,204	102,127	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427
NEW ACCOUNTS	110,204	102,127	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427	89,427
PAYMENTS RECEIVED (OLMB)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
PAYMENTS RCOV (COA)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
LESS REVERSALS	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
NET PAYMENTS RECEIVED	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
ADJUSTMENTS	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
MONTHLY NET COLLECTION RATE	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Rolling Average Net Collection Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

APPENDIX C TO SCHEDULE 23
 BENEFITS MEASUREMENT
 COLLECTION AND LOAN MANAGEMENT BRANCH - RETAIL LOANS
 BASELINE CALCULATION

ACCOUNTS RECEIVABLE (LTD)	FY 2020												TWO YEAR STATISTICS	Datebase As of 12/31/2020		
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR				
NEW ACCOUNTS	\$4,787,743	\$5,177,660	\$1,040,825	\$1,040,825	\$1,040,825	\$1,040,825	\$1,040,825	\$1,040,825	\$1,040,825	\$1,040,825	\$1,040,825	\$1,040,825	\$1,040,825	\$1,040,825	\$1,040,825	\$1,040,825
PAYMENTS RCVD (LTD)	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	
PAYMENTS RCVD (COBA Bal-Off)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL PAYMENTS	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	\$4,787,743	
NET PAYMENTS RECEIVED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
PORTFOLIO BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Average Monthly Net Collection Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Cumulative Net Collection Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Rolling Three Month Net Collection Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
FOODS, CLOTHING, BENEFIT & LODGING																
NEW ACCOUNTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
PAYMENTS RCVD (LTD)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
PAYMENTS RCVD (COBA Bal-Off)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL PAYMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
NET PAYMENTS RECEIVED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
PORTFOLIO BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Average Monthly Net Collection Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Cumulative Net Collection Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Rolling Three Month Net Collection Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
FOODS, CLOTHING, BENEFIT & LODGING																
NEW ACCOUNTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
PAYMENTS RCVD (LTD)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
PAYMENTS RCVD (COBA Bal-Off)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL PAYMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
NET PAYMENTS RECEIVED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
PORTFOLIO BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Average Monthly Net Collection Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Cumulative Net Collection Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Rolling Three Month Net Collection Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

APPENDIX D TO SCHEDULE 23

EXAMPLE BENEFIT MEASUREMENT CALCULATION FOR FULL REVENUE MANAGEMENT PROGRAMS

MSP Pay Direct

Amount are for example calculation purposes only. They do not represent real or estimated amounts.

Monthly Benefit Calculation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Month (Note 1)												
Cash Collections	67,000,000	70,000,000	69,000,000	50,000,000	56,000,000	60,000,000	61,000,000	78,000,000	80,000,000	82,000,000	69,400,000	69,800,000
Billed Revenues	85,000,000	86,000,000	85,000,000	85,000,000	85,000,000	86,000,000	85,500,000	84,900,000	85,000,000	86,000,000	85,000,000	85,000,000
6 Month Average Cash (Note 2)	67,000,000	68,500,000	68,666,667	64,000,000	62,400,000	62,000,000	61,000,000	62,333,333	64,166,667	69,500,000	71,733,333	73,366,667
6 Month Average Revenue (Note 2)	85,000,000	85,500,000	85,333,333	85,250,000	85,200,000	85,333,333	85,416,667	85,233,333	85,233,333	85,400,000	85,400,000	85,233,333
Revenue Realization Percentage	78.82%	80.12%	80.47%	75.07%	73.24%	72.66%	71.41%	73.13%	75.28%	81.38%	84.00%	86.08%
Baseline Revenue Realization Percentage	76.00%	76.00%	76.00%	76.00%	76.00%	76.00%	76.00%	76.00%	76.00%	76.00%	76.00%	76.00%
Percentage Above/Below Baseline	2.82%	4.12%	4.47%	-0.93%	-2.76%	-3.34%	-4.59%	-2.87%	-0.72%	5.38%	8.00%	10.08%
Benefit Amount	2,400,000	3,520,000	3,813,333	-790,000	-2,352,000	-2,853,333	-3,916,667	-2,444,000	-610,667	4,596,000	6,829,333	8,589,333
EDS Benefit Share	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
Monthly Billing Amount	1,440,000	2,112,000	2,288,000	-474,000	-1,411,200	-1,712,000	-2,350,000	-1,466,400	-366,400	2,757,600	4,097,600	5,153,600
Cumulative Amount Billed	1,440,000	3,552,000	5,840,000	5,366,000	3,954,800	2,242,800	-107,200	-1,573,600	-1,940,000	817,600	4,915,200	10,068,800

Annual Reconciliation	Note 3	Note 3	Note 3	Note 4	Note 4
Total Cash Collections	\$ 812,200,000				
Total Billed Revenue	\$ 1,023,400,000				
Revenue Realization %	79.36%				
Minus Baseline Rev Realization %	76.00%				
Revenue Realization Improvement %	3.36%				
Total Billed Revenue (from above)	\$ 1,023,400,000				
Total Annual Benefit	\$ 34,416,000				
Sum of Monthly Benefit Calculations	\$ 16,781,333				
Benefit Reconciliation Amount	\$ 17,634,667				
EDS Benefit Example Share	60%				
Additional Benefit Payment or (Credit)	\$ 10,580,800				

Note 1: The month M1 represents the first month of calculation benefits, not the contract month

Note 2: Where less than 6 months are available for the rolling average, the number of months available below 6 are used

Note 3: In months 4 to 6, the revenue realization rate percentages, based on the 6 month rolling average, are below the baseline.

This negative amount represents a shortfall month and MPR receives a credit on the next invoice.

Note 4: In months 7 to 9, all benefits previously invoiced have been credited back to MPR and a shortfall still exists.

The benefit credit for the portfolio is netted against future benefits through the 6 month rolling average.

**APPENDIX D TO SCHEDULE 23
EXAMPLE BENEFIT MEASUREMENT CALCULATION FOR COLLECTIONS ONLY PROGRAMS
Direct Lend Student Loans**

Amount are for example calculation purposes only. They do not represent real or estimated amounts.

Monthly Benefit Calculation													
	M0 - needed for	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Month (Note 1)													
Opening A/R Balance		10,244,273	10,456,273	10,621,273	11,223,273	11,163,273	11,688,273	11,511,273	12,106,273	12,233,273	12,187,273	12,812,273	12,432,273
Cash Collections		143,000	100,000	295,000	76,000	150,000	275,000	400,000	280,000	148,000	200,000	450,000	894,000
New MPR Referrals		400,000	300,000	1,000,000	0	50,000	100,000	1,000,000	400,000	100,000	800,000	100,000	1,100,000
Adjustments		-45,000	-35,000	-50,000	25,000	-10,000	-25,000	-5,000	7,000	2,000	25,000	-30,000	-40,000
Revenue Available for Collection		100,000	197,500	157,667	143,250	144,600	166,333	216,333	213,833	225,500	242,167	292,167	395,333
6 Month Total Cash (Note 2)		10,456,273	10,538,773	10,784,606	10,894,273	10,948,073	11,071,440	11,247,273	11,494,773	11,654,273	11,814,940	12,089,773	12,213,773
6 Month Available A/R (Note 2)		0.86%	1.87%	1.46%	1.31%	1.32%	1.50%	1.92%	1.86%	1.93%	2.05%	2.42%	3.24%
Net Collection Rate		1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%
Average 3 Month Net Collection Rate (Baseline)		-0.06%	0.85%	0.44%	0.29%	0.30%	0.48%	0.90%	0.84%	0.91%	1.03%	1.40%	2.22%
Percentage Above/Below Baseline		-6.654	90.005	47.664	32.128	32.930	53.405	101.611	96.587	106.626	121.654	168.851	270.753
Benefit Amount		60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
EDS Benefit Share		-3,992	54,003	28,598	19,277	19,758	32,043	60,967	57,952	63,976	72,993	101,311	162,452
Monthly Billing Amount		-3,992	50,010	76,609	97,886	117,843	149,686	210,653	269,605	332,561	405,573	506,884	669,336
Cumulative Amount Billed			Note 3										
Notes			Note 4										

Annual Reconciliation:	
Total Cash Collections	\$ 3,370,000
Divided by	\$ 139,711,276
Equals	2.41%
Minus	1.02%
Equals	1.39%
Multiplying by	\$ 139,711,276
Equals	\$ 1,944,945
Minus	\$ 1,115,559
Equals	\$ 829,386
Multiplying by	60%
Equals	\$ 497,631

Note 1: The month M1 represents the first month of calculation benefits, not the contract month
 Note 2: Where less than 6 months are available for the rolling average, the number of months available below 6 are used
 Note 3: In month 1 the net collection rate percentage is below the baseline, based on the 6 month rolling average.
 Since no benefits have been paid to date, there is a benefits shortfall that is carried forward in the 6 month rolling average.
 Note 4: Previous month's shortfall is netted (or credited) against the next month's benefit.

SAMPLE Invoice



EDS Advanced Solutions

VITP Address

Ministry of Provincial Revenue
 Revenue Management Project
 1802 Douglas Street
 Victoria, BC POSTAL CODE

Ship to:
 Ministry of Provincial Revenue
 Revenue Management Project
 1802 Douglas Street
 Victoria, BC POSTAL CODE

Document No.: *system generated invoice number*
 Customer No.: *TBD*
 Invoice date: *31/12/2004*
 Terms: *Due net within 7 days*
 Customer Ref: *TBD - to be supplied by MPR if required by MPR*

Total due: CAD 4,075,000.00
 Payment Due by: 24/12/2004
 Remit to: EDS Advanced Solutions
 VITP Address
 VITP Address

QUANTITY	UNITS	DESCRIPTION	PRICE	VALUE	EXTENDED AMOUNT
1	Each	Base Fees Collections			500,000
1	Each	Base Fees Billing, Remittance, Returns Processing		Sample Amounts	250,000
1	Each	Base Fees IM/IT			750,000
1	Each	Benefits			1,000,000

Combined base fees will equal the monthly base fee in Schedule 23

Backup to invoice will show:
 - the calculation for the benefits
 - the full month calc less the mid-month payment to equal the invoice amount (for end of month invoice)

Any new project can be added as a separate line(s) or put on a separate invoice(s).

Subtotal:		CAD	2,500,000
BC PST	7.5% on 750,000	CAD	56,250
Canadian GST	7.0% on 0.00	CAD	0
Total amount due:		CAD	2,556,250

Customer #: *TBD*
 Client Financial Coding: *TBD - to be supplied by MPR if required by MPR*
 Client Reference #: *TBD (related to contract number)*
 Contract #: *TBD*

APPENDIX F TO SCHEDULE 23 SKIP TRACE DATABASE ACCESS

Database	Access	Public Fee	Government Fee	Search Type	
				Debtor Locate	Asset Locate
BC Drivers	Government	N/A	0	X	X
ICBC	Government	N/A	0	X	X
BC Identification Display	Government	N/A	0	X	
Personal Property Registry	Public	\$8.61 - \$9.61	\$1.10	X	X
Client Registry System	Government	N/A	0	X	
Registration Premium & Billing	Government	N/A	0	X	
Home Owner Grant	Government	N/A	0	X	X
ABIS (Ambulance Billing)	Government	N/A	0	X	
Corporate Accounting Services	Government	N/A	0	X	X
Corporate Director's	Government	N/A	0	X	X
Alberta Online PPR	Public	\$6.35 - \$11.70	\$3.00	X	X
Alberta Online Corporate Reg	Public	\$8.50 - \$13.84	\$3.00	X	X
Alberta Online ALTA (Land Title)	Public	\$8.35 - \$10.49	\$3.00	X	X
BC Vital Stats	Public	\$27.50	\$27.50	X	
Student Financial Assistance System	Government	N/A	0	X	X
Canada 411 (internet)	Public	N/A	0	X	
Telus.com	Public	N/A	0	X	
Infospace	Public	N/A	0	X	
Google	Public	N/A	0	X	X
Equifax Consumer	Public	\$14.00	\$2.80 - \$4.75	X	X
Equifax Commercial	Public	\$35.00	\$10.00	X	X
Trans Union	Public	blank	\$2.00	X	X
BC Hydro	Government	N/A	\$3.95	X	X
Alberta Drivers	Government	N/A	\$14.42	X	
Saskatchewan Drivers	Government	N/A	0	X	
Ontario Drivers	Government	N/A	0	X	
Arizona DL	Government	N/A	0	X	
California DL	Government	N/A	0	X	
Colorado DL	Government	N/A	\$2.20 US	X	
Florida DL	Government	N/A	0	X	
Idaho DL	Government	N/A	0	X	
Missouri DL	Government	N/A	0	X	
Nevada DL	Government	N/A	0	X	
New York DL	Government	N/A	\$4.00 US	X	
Oregon DL	Government	N/A	\$1.50 US	X	
Pennsylvania DL	Government	N/A	\$5.00 US	X	
Texas DL	Government	N/A	\$4.00 US	X	
Washington DC DL	Government	N/A	\$5.00 US	X	
Washington State DL	Government	N/A	\$4.00 US	X	
			\$716.00 / \$400		
Canada Phone (CD ROM)	Public	N/A	US	X	
UK Voters	Public	N/A	\$150.00	X	
BC Assessment Authority	Public	\$5.07 - \$10.07	\$1.10		X
Land Title Office	Public	\$3.61 - \$8.61	\$1.10		X
Corporate Registry	Public	\$8.61 - \$9.61	\$1.10		X

Appendix G Current Reports Used in the Benefits Calculation

System	Report Reference	Program	Report Name	Run Date	Report Title	Usage:
R&PB	1	MSP	RAPCPY3-01 Summarized in excel file	Mid-month (after MSP billing cycle)	MSP Monthly Billing Report Group PayDirect	Provides all MSP billings
R&PB	2	MSP	RAPCFPP-01 Summarized in excel file	End of month	Payments Posted in R&PB Group MSP PayDirect	Provides all MSP Payments with the exception of those posted in CLAS (see report # 5)
CLAS	3	MSP	<u>Report name to be provided</u> Summarized in excel file	End of month	Report of MSP Payments Posted in R&PB	Provides the Report of all MSP Payments posted by R&PB. This amount is subtracted from the payments posted in RAPCFPP-01.
CLAS	4	MSP and other Programs	LASR020 Summarized in excel file	End of previous month	Accounts Receivable Report	Provides data on the current Account Balance of all CLMB accounts by Portfolio
CLAS	5	MSP and other Programs	LASR025 Summarized in excel file	End of month	Monthly Transaction Summary	Provides summary data on all transactions posted to CLMB accounts by Portfolio
R&PB	6	MSP Pay Direct	TBD	End of month	TBD	Calculate Revenue Adjustment This report is in the process of being developed and is not yet complete.

MSP Calculation:

Numerator (cash collected):

Report #2 plus (MSP payments from Report #5) less Report #3

Report #2 is all payment that flow through BRB (e.g. CLMB GARMS)

Report #5 is all payments that are in CLAS. Payment posted by either BRB or CLMB appear in CLAS, creating the double count with BRB postings to R&PB.

Report #3 is all payments that are in CLAS, where the payment flows through BRB and is posted in both R&PB and CLAS

Denominator (billed revenue):

Report #1

Report #1 also contains other data that isn't used for benefit calculation. Just need the "billings" information

Do not use report #4 for MSP since MSP is a full revenue management program and Accounts Receivable is not used

Report #6

Report will be used to adjust Gross Billed Revenue to Net Billed Revenue

Other Programs Calculation:

Numerator (cash collected):

Program's payments from Report #5

Denominator (A/R balance):

Program's beginning A/R balance from Report #4

Appendix H Financial Summary Report

Proposed Income Statement (QUARTERLY)
 Current Reporting Period: Apr06 to Mar07
 Cdn \$ '000s

	Model to Date		Approved CBARs	Revised Model (above \$661M) C2	Actuals to Date				Variance to Model A+B less C1 or C2	
	Change Orders Modelled	Revised Model (below \$661M) C1			Actuals (Note 3) (Note 4)	Other (TBD)	Contract Sub Total	Contract Sub Total Column A+B		New Business (Note 6)
Total Benefits Attained		0		0		0		0	0	0
EDS Fees		0	N/A	0		0		0	0	0
EDS Benefits		0	N/A	0		0		0	0	0
Total EDS Revenues		0		0		0		0	0	0
EDS Expenditures										
Compensation		0		0		0		0	0	0
Contracted Services		0		0		0		0	0	0
Capital		0		0		0		0	0	0
Facilities/ Space Related		0		0		0		0	0	0
Other		0		0		0		0	0	0
RMS Build Fixed Price		0		0		0		0	0	0
Sub Total - Expenditures		0		0		0		0	0	0
Modelled cost instead of actuals										
Total Benefits Attained < \$661M. Use Revised Model excluding CBARs										
<u>Adjustments Required to Actuals Under Terms of Contract (Note 2)</u>										
Interest @ 6%				0		0		0	0	0
EDS Overhead @ 11.7%				0		0		0	0	0
Adjust to modelled cost				0		0		0	0	0
Other Items				0		0		0	0	0
Sub Total - Adjustments		0		0		0		0	0	0
Allowed Cost		0		0		0		0	0	0
Contract Adjusted Net Income Before Taxes		0		0		0		0	0	0
Net Margin (Note 4)									0.0%	0.0%

Comments to the financial report

Appendix H Financial Summary Report

Proposed Income Statement (QUARTERLY)

Current Reporting Period: Apr06 to Mar07

Cdn \$ '000s

Notes:

- 1* Includes onboarding, unless intentionally treated as "New Business"
- 2 Costs that are fixed under the agreement with MPR
- Updated note 3 Includes inflation adjustments for Wages and Non-wages in agreement with the Contract Terms. Supporting calculation schedules required.
- 4 Based on adjusted net income before taxes
- Delete Note 5 **NOTE NO LONGER NEEDED** Not sure if this sub-total should come after "RMS Build" - CBARS will effect margin (this sub-total needs to be the one used to determine the margin steps)
- 6 New business will include new lines of business not anticipated in the contract (e.g. conversion of TACS) that will require significant new negotiation.
Only applies to lime and materials new business
- 7 Adjustment only needed if actuals are more than modelled

NON-DISCLOSURE AGREEMENT

THIS AGREEMENT, dated as of the ● day of ●, 20●, is between ● (the “Financial Monitor”) and **EDS ADVANCED SOLUTIONS INC.** (“EDS”).

WHEREAS, pursuant to the terms and conditions of a Master Services Agreement (the “**Master Services Agreement**”) dated November 26, 2004 between EDS and Her Majesty the Queen in right of the Province of British Columbia, as represented by the Minister of Provincial Revenue (the “**Province**”), EDS is providing revenue services, revenue management build and transform services and information technology services (collectively the “**Revenue Management Project**”) to the Province;

AND WHEREAS the Province has requested EDS to provide the Financial Monitor with access to certain confidential, proprietary, or trade secret information of EDS in connection with the Revenue Management Project for the purposes of performing certifications of EDS’ financial calculations in accordance with the provisions of Article 9 (*Financial Reporting and Financial Audit or Validation of EDS*) of Schedule 23 (*Benefits and Base Fees*) of the Master Services Agreement (the “**Business Purpose**”);

AND WHEREAS, in consideration of the disclosure of EDS’ confidential, proprietary or trade secret information to the Financial Monitor, EDS requires that such information be retained in confidence in accordance with the terms and conditions set forth in this Agreement, and the Financial Monitor agrees to keep such information confidential in accordance with such terms;

NOW, THEREFORE, EDS and the Financial Monitor hereby agree as follows:

1. **Definitions.**

“**Designated Persons**” means the employees of the Financial Monitor identified on Schedule “A” (*Designated Persons*), all of whom have been approved by EDS pursuant to Section 9.2.1.2 (*Access to Financial Reporting*) of Schedule 23 (*Base Fees and Benefits*) of the Master Services Agreement.

“**EDS Confidential Information**” means any technical, business, financial, personal, employee, operational, scientific, research or other information or data in whatsoever form or media, whether in writing, electronic form or communicated orally or visually that, at the time of disclosure or within thirty days thereafter is designated as confidential (or like designation) and including, without limitation:

- (a) computer programs in any format whatsoever including the object and source therefor, all related documentation, any modifications to such computer programs and documentation and all draft or development versions of such programs, documentation or modifications;
- (b) personal information of EDS employees, subcontractors, suppliers, agents or representatives;
- (c) information relating to the business or affairs of EDS including:
 - (i) the Financial Reports (as such term is defined in Schedule 23 (*Base Fees and Benefits*) of the Master Services Agreement and any information provided by EDS or to which the Financial Monitor is given access in performing the Financial Monitor’s reporting, audit or other responsibilities in connection with the Financial Reporting;

- (ii) other financial information, purchasing and cost information, price and cost data, price and fee amounts, margins and overheads, pricing and billing policies and quoting procedures;
 - (iii) EDS forecasts, EDS future plans, EDS potential strategies, EDS budgets and EDS investment opportunities; and
 - (iv) marketing techniques, marketing and development plans, methods of obtaining business and business plans;
- (d) information relating to EDS' products, services and business processes including information relating to:
- (i) research and development projects or plans;
 - (ii) EDS' business policies, practices, processes and procedures; and
 - (iii) EDS development tools, know-how, methodologies, templates, processes, technologies or algorithms; and
- (e) any such information or data of EDS' subcontractors, suppliers or customers or of the affiliates of EDS or its subcontractors, suppliers or customers;

whether communicated before or after the date hereof and whether provided or disclosed, directly or indirectly, by EDS or to which the Financial Monitor obtains access, directly or indirectly, through EDS and including any such information disclosed by the Province. EDS Confidential Information includes documents, working papers, notes, observations, summaries, explanations or other material prepared by any person and derived from the EDS Confidential Information.

“**Ministry**” means the Ministry of Provincial Revenue.

2. **Confidentiality.**

- (a) **Protection.** The Financial Monitor agrees to hold the EDS Confidential Information in strict confidence, and agrees that it will not disclose, distribute or disseminate the EDS Confidential Information, or documents or information derived therefrom, in any way to any third party except as expressly permitted under this Agreement. Without limiting the generality of the foregoing, the Financial Monitor agrees that it shall treat such information as confidential and with a degree of care no less than the degree of care that the Financial Monitor employs for the protection of its own confidential information of a similar nature. The Financial Monitor will not use the EDS Confidential Information for its own benefit or the benefit of others, except in connection with the Business Purpose as expressly authorized in this Agreement.
- (b) **Restriction.** The Financial Monitor also agrees not to copy EDS Confidential Information which is in documented form except with the written consent of EDS. The Financial Monitor shall not disclose or give access to the EDS Confidential Information to any persons other than the Designated Employees except as expressly permitted under this Agreement. Each Designated Employee shall confirm that he or she has read this Agreement and agrees to be bound by the terms of this Agreement as though such employee were a party here and shall indicate such agreement in the manner set forth in Schedule A. Any failure of the Designated Employees to comply with the provisions of

this Agreement shall be deemed to be a failure of the Financial Monitor to comply with the provisions of this Agreement and the Financial Monitor shall be liable to EDS in respect thereof.

- (c) **Exception.** Section 2(a) (**Protection**) and Section 2(b) (**Restriction**) shall not prevent the Financial Monitor from disclosing information that belongs to the Financial Monitor or that the Financial Monitor can reasonably demonstrate:
- (i) was, at the time of disclosure to the Financial Monitor, in the public domain;
 - (ii) after disclosure to the Financial Monitor, is published or otherwise becomes part of the public domain through no fault of the Financial Monitor;
 - (iii) was in the possession of the Financial Monitor at the time of disclosure to the Financial Monitor, and was not the subject of a pre-existing confidentiality obligation;
 - (iv) was disclosed independently to the Financial Monitor by a third party other than the Province who, insofar as the Financial Monitor was aware, was not subject to any confidentiality obligations in respect thereof, and in any event, provided that such information was not of a nature that had it been the confidential information of the Financial Monitor, the Financial Monitor would have required that it be kept confidential;
 - (v) was independently developed by the Financial Monitor without the use of any EDS Confidential Information; or
 - (vi) is disclosed with the prior written approval of EDS, but only to the extent approved by EDS;
- (d) **Disclosure required by Applicable Law.** This Agreement shall not prevent the Financial Monitor from disclosing EDS Confidential Information which is required to be disclosed pursuant to applicable law (including pursuant to a requirement of a governmental agency or law of Canada, or any governmental or political subdivision thereof), so long as the Financial Monitor provides EDS with prompt written notice of such requirement and takes steps sufficient to allow EDS an opportunity to object to such disclosure. Any such disclosure pursuant to applicable law will only be to the extent legally required and only for the purpose of compliance with applicable law and not for any other purpose.
- (e) **Disclosure to the Province.** Section 2(a) (**Protection**) and Section 2(b) (**Restriction**) shall not prevent the Financial Monitor from providing certifications to the Deputy Minister and the Senior Financial Officer of the Ministry of Provincial Revenue as contemplated in the Business Purpose but shall not authorize the disclosure of other EDS Confidential Information to such persons or the disclosure of EDS Confidential Information to any other employee, agent or representative of the Province.
- (f) **Notification of Unauthorized Use of EDS Confidential Information.** The Financial Monitor shall (i) notify EDS of any unauthorized possession, use or disclosure, or attempt to effect the same, of EDS Confidential Information (“**Unauthorized Disclosure**”), (ii) promptly furnish EDS with details of such Unauthorized Disclosure, and use reasonable

efforts to assist EDS in investigating or preventing any recurrence, (iii) use reasonable efforts to cooperate with EDS in any litigation and investigation against third parties deemed necessary by EDS to protect the EDS Confidential Information, as such litigation or investigation is related to the Unauthorized Disclosure, and (iv) promptly use reasonable efforts to prevent a recurrence of any Unauthorized Disclosure.

3. **Return of EDS Confidential Information.** The Financial Monitor shall be entitled to retain one copy of the EDS Confidential Information and any working papers of the Financial Monitor related thereto in its files, which EDS Confidential Information shall continue to be subject to the provisions of this Agreement. Subject to the foregoing, upon the completion of the Business Purpose or at the request of EDS, the Financial Monitor shall return all copies of the EDS Confidential Information, and all derivatives thereof, to EDS or, at EDS' option and direction, shall certify in writing that all copies of the EDS Confidential Information have been destroyed. The Financial Monitor may return the EDS Confidential Information, or any part thereof, to EDS at any time.
4. **Confidentiality Notices and Markings.** The Financial Monitor will ensure that all confidentiality notices and other markings placed by EDS on the EDS Confidential Information will not be removed or altered by it or its Designated Persons and that such notices and other markings shall be reproduced, without alteration, on any authorized copies or reproductions of the EDS Confidential Information made by the Financial Monitor.
5. **No Warranty.** EDS makes no representation or warranty, express or implied, with respect to the EDS Confidential Information and accepts no responsibility for any expenses, losses, or actions incurred or undertaken by the Designated Persons or the Financial Monitor as a result of the receipt or use of the EDS Confidential Information.
6. **No Further Rights.** Nothing contained in this Agreement shall be construed as granting or conferring any rights by license or otherwise in the EDS Confidential Information except as expressly provided herein.
7. **Restriction.** The Financial Monitor acknowledges and agrees with EDS as follows:
 - (a) the Designated Employees shall not:
 - (i) have any role in the operations of the Ministry related to the Master Services Agreement;
 - (ii) provide any information or advice to the Province related to the Master Services Agreement (other than as contemplated under Section 2(e) above; and
 - (iii) be involved in the review, analysis or evaluation of any EDS proposal to the Ministry;

during the period such individual is providing services in connection with the Business Purpose and for a period of two years thereafter; provided that if, as a result of a government reorganization, the Ministry is merged or combined with another ministry, part or agency of the Province, then the above restriction relating to EDS proposals to the Ministry shall apply only to proposals submitted to the branch or division of the merged entity that is responsible for managing the Master Services Agreement, and shall not apply to the merged entity as a whole;

- (b) if any Designated Employee is hired by the Ministry, then such individual shall not have any role in the operations of the Ministry related to the Master Services Agreement or provide any information or advice to the Ministry in conjunction with the Master Services Agreement or the services provided by EDS to the Ministry for a period of two years after such individual is hired by the Ministry or such shorter period of time as is two years after the individual ceased to provide services in connection with the Business Purpose. If, as a result of a Government reorganization, the Ministry is merged or combined with another ministry, part or agency of the Province, then the restriction contemplated in this paragraph (b) shall apply only to the branch or division of the merged entity that is responsible for managing the Master Services Agreement and will not apply to the merged entity as a whole; and
 - (c) the restrictions contained in this Section 7 (*Restrictions*) are reasonable and necessary to protect the legitimate business interests of EDS.
- 8. **Injunctive Relief.** The Financial Monitor acknowledges and agrees that the EDS Confidential Information is the confidential, proprietary and trade secret information of EDS or its customers and suppliers and that the unauthorized use or disclosure of the EDS Confidential Information could cause irreparable harm and significant injury to EDS for which EDS would have no adequate remedy at law. Therefore, EDS shall have the right, in addition to any other rights EDS may have at law or in equity, to seek immediate injunctive relief enjoining any breach or potential breach of this Agreement by the Financial Monitor or the Designated Persons. The Financial Monitor hereby waives the necessity of the posting any form of bond relating to the issuance of injunctive relief.
- 9. **Media Releases.** No media releases, public announcements or disclosures relating to this Agreement, its subject matter or the EDS Confidential Information shall be issued by the Financial Monitor or any Designated Person without the prior written approval of EDS.
- 10. **Miscellaneous.**
 - (a) Each of the parties hereto will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and will use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.
 - (b) No delay or omission by EDS to exercise any right or power hereunder shall impair such right or power or be construed to be a waiver thereof. All remedies provided for in this Agreement shall be cumulative and in addition to and not in lieu of any other remedies available at law, in equity or otherwise.
 - (c) Any notices required by this Agreement shall be given in hand or sent by first class mail, postage prepaid, to the applicable address set forth below the names of the parties on the signature page of this Agreement. Either party may from time to time specify as its address for purposes of this Agreement any other address upon giving ten days written notice thereof to the other party.
 - (d) The word "includes" and words derived from the word "include" are used for illustrative purposes only and are not meant to be limiting.

- (e) This Agreement
- (i) is the complete and exclusive statement between the parties with respect to the protection of the confidentiality of EDS Confidential Information that is the subject matter of this Agreement,
 - (ii) supersedes all related discussions and other communications between the parties with respect to the subject matter hereof,
 - (iii) may only be modified in writing by authorized representatives of the parties, and
 - (iv) shall be governed by the laws of the Province of British Columbia.
- (f) This Agreement may be signed in counterparts and each of such counterparts will constitute an original document and such counterparts, taken together, will constitute one and the same instrument.

IN WITNESS WHEREOF, EDS and the Financial Monitor have each caused this Agreement to be signed and delivered as of the date first set forth above.

EDS ADVANCED SOLUTIONS INC.

[FINANCIAL MONITOR]

By: _____
 Name:
 Title:

By: _____
 Name:
 Title:

<p>EDS ADVANCED SOLUTIONS INC. Vancouver Island Technology Park 2200-4464 Markham Road Victoria, B.C. V8Z 7x8</p> <p>Attention: Vice-President, Business Process Management</p> <p>Telephone: ● Telecopier: ●</p>	<p>HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA as represented by the Deputy Minister of the Minister of Provincial Revenue</p> <p>Address: Suite 103, 1803 Douglas Street Victoria, BC V8T 5C3</p> <p>Telephone: 250-356-7525 Telecopier: 250-387-1180</p>
---	--

SCHEDULE A
DESIGNATED PERSONS

Designated Persons:

NAME

INITIALS

(For the sole purpose of acknowledging that the Designated Person has read and understands the restrictions contained in the Agreement)

1. [*name of employee*]

2. [*name of employee*]



NON-DISCLOSURE AGREEMENT

THIS AGREEMENT, dated as of the • day of •, 20•, is between **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA**, as represented by the Minister of the Ministry of Provincial Revenue (the “**Province**”) and **EDS ADVANCED SOLUTIONS INC.** (“**EDS**”).

WHEREAS, pursuant to the terms and conditions of a Master Services Agreement (the “**Master Services Agreement**”) dated November 26, 2004 between EDS and Her Majesty the Queen in right of the Province of British Columbia, as represented by the Minister of Provincial Revenue (the “**Province**”), EDS is providing revenue services, revenue management build and transform services and information technology services (collectively the “**Revenue Management Project**”) to the Province;

AND WHEREAS the Province has requested EDS to provide the persons designated on Schedule A (*Designated Persons*) to this Agreement (the “**Designated Persons**”) with access to certain confidential, proprietary, or trade secret information of EDS in connection with the Revenue Management Project in accordance with Article 9 (*Financial Reporting and Financial Audit or Validation of EDS*) of Schedule 23 (*Base Fees and Benefits*) of the Master Services Agreement (the “**Business Purpose**”);

AND WHEREAS, in consideration of the disclosure of EDS’ confidential, proprietary or trade secret information to the Contractor, EDS requires that such information be retained in confidence in accordance with the terms and conditions set forth in this Agreement, and the Contractor agrees to keep such information confidential in accordance with such terms;

NOW, THEREFORE, EDS and the Province hereby agree as follows:

1. **Definitions.**

“**EDS Confidential Financial Information**” means the Financial Reports (as such term is defined in Schedule 23 (*Base Fees and Benefits*) of the Master Services Agreement and any information provided by EDS or the Financial Monitor in connection with the Financial Monitor’s reporting, audit or other responsibilities relating to the Financial Reports.

“**EDS Designated Personnel**” means the President and the Vice-President Finance and Administration of EDS.

2. **Confidentiality.**

- (a) **Protection.** The Province agrees to cause the Designated Persons to hold the EDS Confidential Financial Information in strict confidence amongst themselves and not to disclose, distribute, use or disseminate the EDS Confidential Financial Information except in accordance with the provisions of this Agreement and only as expressly authorized in this Agreement. To the extent that the Province receives the EDS Confidential Financial Information, the Province will hold the EDS Confidential Financial Information in strict confidence, and will not disclose, distribute, use or disseminate the same except in accordance with the provisions of this Agreement.
- (b) **Designated Persons.** The Designated Persons may review, analyze and discuss amongst themselves any EDS Confidential Financial Information in accordance with Article 9 (*Financial Reporting and Financial Audit or Validation of EDS*) of Schedule 23 (*Base Fees and Benefits*) of the Master Services Agreement. Notwithstanding the foregoing, the Designated Persons:

- (i) shall retain the particulars of the EDS Confidential Financial Information in strict confidence among themselves;
 - (ii) shall not copy, in whole or in part, the EDS Confidential Information;
 - (iii) shall clearly identify the particulars of the EDS Confidential Financial Information as such to the extent contained in any documents, working papers, notes, observations, summaries, explanations, analyses or other materials;
 - (iv) shall not disclose, disseminate or make available the particulars of the EDS Confidential Financial Information to any person including to the Province or its employees, agents or representatives but not including other Designated Persons;
 - (iii) shall not use the EDS Confidential Financial Information for any purpose other than discussing, with the EDS Designated Personnel, EDS' performance against the metrics set out in Schedule 23 (*Base Fees and Benefits*) of the Master Services Agreement to which the Financial Reports relate. In the event of a dispute between the Designated Persons and the EDS Designated Personnel with respect to EDS' performance against the metrics set out in Schedule 23 (*Base Fees and Benefits*) of the Master Services Agreement to which the Financial Reports relate, that is not resolved within sixty days of the commencement of discussions between the Designated Personnel and the EDS Designated Personnel, such dispute shall be resolved in accordance with the dispute resolution procedures set out in Article 26 (*Dispute Resolution*) of the Master Services Agreement and provided that the Parties shall proceed directly to arbitration and shall not review the dispute with the Joint Management Committee, the Joint Executive Committee or the Joint Relationship Sponsors (as such terms are defined in Schedule 18 (*Governance Process*) of the Master Services Agreement) unless otherwise agreed.
- (c) **Confirmation.** The Province confirms that each Designated Person has been shown and has read a copy of this Agreement, as indicated by the initials of each Designated Person on the attached Schedule A. The Province agrees to cause the Designated Persons to comply with the provisions of this Agreement.
- (d) **Exception.** Section 2(a) (**Protection**) and Section 2(b) (**Designated Persons**) shall not prevent the Province or the Designated Persons from disclosing information that belongs to the Province or that the Province can reasonably demonstrate:
- (i) was, at the time of disclosure to the Province, in the public domain;
 - (ii) after disclosure to the Province, is published or otherwise becomes part of the public domain through no fault of the Financial Monitor;
 - (iii) was in the possession of the Province at the time of disclosure to the Province, and was not the subject of a pre-existing confidentiality obligation;
 - (iv) was disclosed independently to the Province by a third party (other than the Financial Monitor under Article 9 (*Financial Reporting and Financial Audit or Validation of EDS*) of Schedule 23 (*Base Fees and Benefits*) of the Master

Services Agreement) and who, insofar as the Province was aware, was not subject to any confidentiality obligations in respect thereof, and in any event, provided that such information was not of a nature that had it been the confidential information of the Province, the Province would have required that it be kept confidential;

- (v) was independently developed by the Province without the use of any EDS Confidential Financial Information; or
 - (vi) is disclosed with the prior written approval of EDS, but only to the extent approved by EDS.
- (e) **Disclosure required by Applicable Law.** This Agreement shall not prevent the Province from disclosing EDS Confidential Financial Information which is required to be disclosed pursuant to applicable law (including pursuant to a requirement of a governmental agency or law of Canada, or any governmental or political subdivision thereof), so long as the Province provides EDS with prompt written notice of such requirement and takes steps sufficient to allow EDS an opportunity to object to such disclosure. Any such disclosure pursuant to applicable law will only be to the extent legally required and only for the purpose of compliance with applicable law and not for any other purpose.
- (f) **Notification of Unauthorized Use of EDS Confidential Information.** The Province shall (i) notify EDS of any unauthorized possession, use or disclosure, or attempt to effect the same, of EDS Confidential Financial Information (“**Unauthorized Disclosure**”), (ii) promptly furnish EDS with details of such Unauthorized Disclosure, and use reasonable efforts to assist EDS in investigating or preventing any recurrence, (iii) use reasonable efforts to cooperate with EDS in any litigation and investigation against third parties deemed necessary by EDS to protect the EDS Confidential Financial Information, as such litigation or investigation is related to the Unauthorized Disclosure, and (iv) promptly use reasonable efforts to prevent a recurrence of any Unauthorized Disclosure.
3. **Return of EDS Confidential Financial Information.** The Designated Persons may return the EDS Confidential Information, or any part thereof, to EDS at any time.
4. **No Warranty.** EDS makes no representation or warranty, express or implied, under this Agreement with respect to the EDS Confidential Financial Information.
5. **No Further Rights.** Nothing contained in this Agreement shall be construed as granting or conferring any rights by license or otherwise in the EDS Confidential Financial Information except as expressly provided herein.
6. **Injunctive Relief.** The Province acknowledges and agrees that the EDS Confidential Financial Information is the confidential, proprietary and trade secret information of EDS or its customers and suppliers and that the unauthorized use or disclosure of the EDS Confidential Financial Information could cause irreparable harm and significant injury to EDS for which EDS would have no adequate remedy at law. Therefore, EDS shall have the right, in addition to any other rights EDS may have at law or in equity, to seek immediate injunctive relief enjoining any breach or potential breach of this Agreement by the Province or the Designated Persons. The Province

hereby waives the necessity of the posting any form of bond relating to the issuance of injunctive relief.

7. **Media Releases.** No media releases, public announcements or disclosures relating to this Agreement, its subject matter or the EDS Confidential Financial Information shall be issued by the Province or any Designated Person without the prior written approval of EDS.
8. **Miscellaneous.**
 - (g) Each of the parties hereto will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and will use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.
 - (h) No delay or omission by EDS to exercise any right or power hereunder shall impair such right or power or be construed to be a waiver thereof; provided that EDS exercises all such rights and powers within one year of EDS becoming aware of the event giving rise to the exercise of such right or power. All remedies provided for in this Agreement shall be cumulative and in addition to and not in lieu of any other remedies available at law, in equity or otherwise.
 - (i) Any notices required by this Agreement shall be given in hand or by same day or overnight courier to the applicable address set forth below the names of the parties on the signature page of this Agreement. Either party may from time to time specify as its address for purposes of this Agreement any other address upon giving ten days written notice thereof to the other party.
 - (j) This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.
 - (k) The word “includes” and words derived from the word “include” are used for illustrative purposes only and are not meant to be limiting.
 - (l) This Agreement (i) is the complete and exclusive statement between the parties with respect to the protection of the confidentiality of EDS Confidential Financial Information that is the subject matter of this Agreement, (ii) supersedes all related discussions and other communications between the parties with respect to the subject matter hereof, (iii) may only be modified in writing by authorized representatives of the parties, and (iv) shall be governed by the laws of the province of British Columbia.

- (m) This Agreement may be signed in counterparts and each of such counterparts will constitute an original document and such counterparts, taken together, will constitute one and the same instrument.

IN WITNESS WHEREOF, EDS and the Province have each caused this Agreement to be signed and delivered as of the date first set forth above.

EDS ADVANCED SOLUTIONS INC.

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Deputy Minister of the Minister of Provincial Revenue

By: _____
Name:
Title:

By: _____
Name: Greg Reimer
Title: Deputy Minister

<p>EDS ADVANCED SOLUTIONS INC. Vancouver Island Technology Park 2200-4464 Markham Road Victoria, B.C. V8Z 7x8</p> <p>Attention: Vice-President, Business Process Management</p> <p>Telephone: ● Telecopier: ●</p>	<p>HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA as represented by the Deputy Minister of the Minister of Provincial Revenue</p> <p>Address: Suite 103, 1803 Douglas Street Victoria, BC V8T 5C3</p> <p>Telephone: 250-356-7525 Telecopier: 250-387-1180</p>
---	---

SCHEDULE A
DESIGNATED PERSONS

Designated Persons:

NAME

INITIALS

(For the sole purpose of acknowledging that the Designated Person has read and understands the restrictions contained in the Agreement)

1. Greg Reimer
Deputy Minister

2. Ranbir Parmar
Senior Financial Officer



British Columbia Revenue Management Project

SOW 2, LEVEL 1

REVENUE SERVICES

Table of Contents

- 1. SOW 2, LEVEL 1 SCOPE AND SUMMARY 1
 - 1.1 DEFINITIONS..... 1
 - 1.2 PURPOSE OF THIS SOW 2, LEVEL 1 DOCUMENT 1
 - 1.3 REVENUE SERVICES OVERVIEW 1
 - 1.3.1 *Bill Presentment and Remittance*..... 1
 - 1.3.2 *Collections* 2
 - 1.3.3 *Customer Services*..... 4
 - 1.3.4 *Account Management*..... 5
 - 1.3.5 *Strategy, Performance and Quality*..... 5
- 2. BILL PRESENTMENT AND REMITTANCE 6
 - 2.1 DESCRIPTION OF BILL PRESENTMENT SERVICES 6
 - 2.2 DESCRIPTION OF REMITTANCE SERVICES 6
 - 2.2.1 *Remittance Activities*..... 6
 - 2.2.2 *Returns Activities* 7
 - 2.2.3 *Correspondence* 7
 - 2.3 MEDICAL SERVICE PREMIUM PLAN (MSP)..... 8
 - 2.4 AMBULANCE 8
 - 2.5 CONSUMER TAX 8
 - 2.6 PROPERTY TAX..... 8
 - 2.7 INCOME AND CORPORATE TAX..... 8
 - 2.8 MINERAL, OIL AND GAS 8
 - 2.9 PAYMENTS ON NON-TAX RECEIVABLES 8
 - 2.10 BUS PASS..... 8
 - 2.11 COMMERCIAL LOANS 8
- 3. COLLECTION 8
 - 3.1 DESCRIPTION OF COLLECTION SERVICES..... 8
 - 3.1.1 *Collection Principles* 8
 - 3.1.2 *Debtor Contact*..... 8
 - 3.1.3 *Program Ministry Interactions* 8
 - 3.1.4 *Private Collection Agency Management*..... 8
 - 3.1.5 *Skip Tracing*..... 8
 - 3.1.6 *Policy Administration* 8
 - 3.1.7 *Collection Support and General Administration Activities*..... 8
 - 3.1.8 *Support for Government Administered Collection Actions* 8
 - 3.2 MEDICAL SERVICES PREMIUM (MSP) 8
 - 3.3 AMBULANCE 8
 - 3.4 MINISTRY OF HUMAN RESOURCES (MHR)..... 8
 - 3.5 IMMIGRANT SPONSORSHIP 8
 - 3.6 COURT FINES 8
 - 3.7 BRITISH COLUMBIA STUDENT ASSISTANCE PROGRAM 8
 - 3.8 MISCELLANEOUS PROGRAMS 8
- 4. CUSTOMER SERVICE 8
 - 4.1 DESCRIPTION OF CUSTOMER SERVICES 8
 - 4.2 SCOPE OF CUSTOMER SERVICE..... 8
- 5. ACCOUNT MANAGEMENT..... 8
 - 5.1 DESCRIPTION OF ACCOUNT MANAGEMENT SERVICES..... 8

5.2 SCOPE OF ACCOUNT MANAGEMENT SERVICES..... 8

6. STRATEGY, PERFORMANCE AND QUALITY 8

6.1 DESCRIPTION OF STRATEGY, PERFORMANCE AND QUALITY 8

6.2 SCOPE OF STRATEGY, PERFORMANCE AND QUALITY 8

APPENDIX A – DEFINITIONS..... 8



1. SOW 2, Level 1 Scope and Summary

1.1 Definitions

Capitalized terms used in this SOW 2, Level 1 Document will have the meanings given to them in the attached Appendix A.

1.2 Purpose of this SOW 2, Level 1 Document

The purpose of this SOW 2, Level 1 Document is to generally describe the scope and functions of the Revenue Services to be performed by EDS on behalf of the Province under the terms of the Master Agreement. The specific process descriptions applicable to the Revenue Services are described in the SOW 2, Level 2 Document. In addition, detailed procedural descriptions and performance outputs for the Revenue Services will be established and set forth in the SOW 2, Level 3 Documents.

1.3 Revenue Services Overview

This SOW 2, Level 1 Document describes the general scope and functions of the following components of the Revenue Services to be provided by EDS to the Province under the terms of the Master Agreement in respect of all In-Scope Programs for which the Province requests any such Revenue Services (whether initially requested as of the Commencement Date, or later requested during the Term pursuant to the Revenue Management Operating Plans, the Change Order Process, or otherwise):

- Bill Presentment and Remittance.
- Collections.
- Customer Service.
- Account Management.
- Strategy, Performance and Quality.

The Revenue Services for each of the above-noted components are more particularly described in Appendix A - In-Scope Program Matrix attached to the SOW 2, Level 2 Document.

1.3.1 Bill Presentment and Remittance

EDS will perform Bill Presentment and Remittance Services (process bills where applicable and incoming remittances, reconcile returns and cheque stubs to cheques and electronic payments, and deposit the funds in the applicable Province

bank accounts) for all In-Scope Programs for which the Province requests any such Bill Presentment and Remittance Services (whether initially requested as of the Commencement Date, or later requested during the Term pursuant to the Revenue Management Operating Plans, the Change Order Process or otherwise).

Tax Remittance

EDS will perform the Remittance Services for the following tax Programs as of the Commencement Date:

- Consumer Tax
- Property Tax
- Income and Corporate Tax
- Mineral, Oil and Gas.

Non-Tax Bill Presentment & Remittance

EDS will perform the Bill Presentment and Remittance Services for the following non-tax Program as of the Commencement Date:

- MSP (Group and Direct)

Non-Tax Remittances

EDS will perform the Remittance Services for the following non-tax Programs as of the Commencement Date:

- Bus Pass
- Ambulance.

1.3.2 Collections

Collections Overview

EDS will perform Collection Services in accordance with the agreed upon Principles of Collection (described in the SOW 2, Level 2 Document) in respect of all In-Scope Programs for which the Province requests any such Collection Services (whether initially requested as of the Commencement Date, or later requested during the Term pursuant to the Revenue Management Operating Plans, the Change Order Process or otherwise).

As part of the Collection Services, EDS will perform the following functions for the Programs listed below as of the Commencement Date (each of which are more fully described in Section 3 of this SOW 2, Level 1 Document):

- Debtor Contact – interaction with debtors using a combination of activities.
- Program Ministry Interactions – interaction with Program Ministries.
- Private Collection Agency Management – establishment and maintenance of PCA relationships.
- Skip Tracing – performance of skip tracing activities to locate debtors and their assets.
- Policy Compliance – compliance with Province policies relating to collection activities.
- Collection support activities and general administration activities.
- Support for Government Administered Collection Actions - document preparation for Province authorization.

Initial Programs for Commencement Date include:

- MSP – Medical Services Plan premiums due to the Ministry of Health Services – Pay Direct and Group Accounts.
- Ambulance – overdue Ambulance fees due to the Ministry of Health Services.
- BCSAP – British Columbia Student Assistance Program debts due to Ministry of Advanced Education.
- MHR – employment and assistance debt and court restitution orders due to the Ministry of Human Resources (Employment and Assistance Benefits, Court Orders).
- MHR – Immigrant Sponsorship debt due to the Ministry of Human Resources.
- Ministry of the Attorney General – unpaid Court Fines (non motor vehicle).
- Miscellaneous portfolios, as outlined in Appendix C - In-Scope Collection for Miscellaneous Programs attached to the SOW 2, Level 2 Document.

Out-of-Scope Collection Functions

For greater clarification, the following functions relating to the collection activities will remain the responsibility of and will be performed by the Province, and accordingly, they are out-of-scope and do not constitute or otherwise form part of the Services to be performed by EDS under the terms of the Master Agreement:

- Creation of receivables (Enrolment).
- Temporary Premium Assistance Administration for MSP.

- Home Owner Grant Administration.
- Commercial Loan Program Administration.
- Authority for use of Government Administered Collection Actions.
- Extinguishment or compromise of government debt.
- Write-off of government debt relating to the Programs.
- Litigation document preparation, initiation of court proceedings, and conduct and monitoring of litigation process.
- Account management processes supporting all out-of-scope functions listed above.

EDS is not providing legal advice or legal services as part of the Services, all of which will remain the responsibility of the Province.

Business Transformation

As part of the RMS Build and Transform Services, EDS will develop an integrated solution that will transform the Collection Services to fully integrate and leverage them with the RMS Build, as more particularly described in the SOW 4 Documents. In particular, the RMS Build and Transform Services will include the following capabilities in support of the Collections Services, in each case, as more particularly described in the SOW 4 Documents:

- Work and case flow management.
- Collector contact management (including daily organization of work requiring follow-up).
- Payment and deferral arrangement creation and tracking.
- Risk scoring and decision components to segment collection portfolios, build work queues, and experiment with alternative collection strategies.
- Telephony support to efficiently route incoming contacts and manage outbound calls.
- Performance reporting and monitoring.

1.3.3 Customer Services

The Customer Services include customer care activities which facilitate voluntary compliance of payment of amounts owing to the Province. EDS will perform Customer Services in respect of the In-Scope Programs for which the Province requests any such Customer Services (whether initially requested as of the Commencement Date, or later requested during the Term pursuant to the Revenue Management Operating Plans, the Change Order Process or otherwise). The Customer Services include the following (as more particularly described in section 4below):

- Support services, including responding to customer queries regarding billings, refund requests, transfers between accounts, lost payments and other anomalies in the billing process.
- Responding to referrals from the Program Ministries to address customer inquiries regarding billings.
- Responding to inbound customer requests received by the telephone, email or written correspondence (letter or fax) directly from customers, their representatives, the Ministry, Program Ministries and other government agencies.

1.3.4 Account Management

EDS will provide Account Management Services (administer the financial accounting processes throughout the revenue management cycle including account adjustments, sub-ledger maintenance, and accounts receivable and revenue reporting and reconciliation), as more particularly described in section 5 below, for which the Province requests any such Account Management Services (whether initially requested as of the Commencement Date, or later requested during the Term pursuant to the Revenue Management Operating Plans, the Change Order Process or otherwise). As of the Commencement Date, EDS will provide the Account Management Services for the non-tax programs identified in 1.3.2 above.

1.3.5 Strategy, Performance and Quality

EDS will provide the Province with Strategy, Performance and Quality services in respect of the In-Scope Programs for which EDS is providing Revenue Services (whether initially requested as of the Commencement Date, or later requested during the Term pursuant to the Revenue Management Operating Plans, the Change Order Process or otherwise), which will include the following (as more particularly described in section 6 below):

- Performance reporting.
- Analytics and strategy evolution.
- Enhancements execution.
- Compliance.

2. Bill Presentment and Remittance

2.1 Description of Bill Presentment Services

EDS will perform the following Bill Presentment Services (which are more fully described in the SOW 2, Level 2 Document):

- File receipt – receipt of billing files from source system.
- Printing – bill printing from billing files, according to the specifications required by the applicable Program.
- Post-bill production – bill assembly, including inserts and specialized mailing instructions.
- Distribution – mailing of bills and distribution of billing reports.
- Archiving – bill file archival as per Province policy (ARCS).
- Electronic Presentment – electronic presentment of bills where applicable in accordance with Program specifications or other requirements (e.g., some group accounts for MSP receive their monthly billing electronically).

2.2 Description of Remittance Services

EDS will perform the following Remittance Services (which are more fully described in the SOW 2, Level 2 Document):

2.2.1 Remittance Activities

EDS will interact with the debtors using a combination of the following:

- Receive, open and sort payment mail.
- Review remittance, bundle payments and prepare batch for all payments received, including the following payment types:
 - cheque, money orders or cash,
 - acceptance of Payments of Accounts (APA) – bank payments,
 - Consumer Taxation Branch (Vancouver) office walk-in,
 - PC Banking through financial institutions,
 - payments made through Government Agents,
 - Electronic Funds Transfer (EFT)/Electronic Data Interchange (EDI),
 - Internal Journal Vouchers, and
 - online credit card payments.
- Investigate exceptions – payment direction not clear or suspended.

- Record remittance batch information.
- Process payments – encode cheques, image payment.
- Reconcile remittance batch and upload to system.

2.2.2 Returns Activities

EDS will perform the following activities associated with tax return processing:

- Image return through document management platform.
- Data-entry of returns.
- Forwarding of return batch to tax Program, and data file to appropriate source system.
- Update batch control and reconcile returns batches.
- Manage electronic or facsimile returns.
- Review and reconcile suspended returns due to keying/data quality errors.

2.2.3 Correspondence

EDS will forward any non-remittance correspondence (written letters and facsimiles) to the appropriate EDS or Province business contact, which non-remittance correspondence may include:

- Enquiries.
- Complaints or disputes.
- Forms or requests (e.g., refund documentation for Consumer Taxation Branch).
- Direct correspondence to an individual at the Province.



2.3 Medical Service Premium Plan (MSP)

EDS will perform the Billing Presentment and Remittance Services for the MSP accounts described below as of the Commencement Date:

ACCOUNT TYPE	DESCRIPTION
MSP Pay Direct	These are MSP accounts for premiums that are billed through the direct pay program.
MSP Group Pay	These accounts represent premiums for individuals that are billed through the group pay program (e.g., corporate payments for employees, or other third party payments for groups of individuals).

2.4 Ambulance

EDS will perform the Bill Presentment and Remittance Services for the Ambulance accounts described below as of the Commencement Date:

ACCOUNT TYPE	DESCRIPTION
Ambulance Fees	Emergency Health Services fees – ground and air provincial transport.

2.5 Consumer Tax

EDS will perform the Remittance Services for the Consumer Taxes described below as of the Commencement Date:

ACCOUNT TYPE	DESCRIPTION
Hotel Tax (HT)	Charged on services provided by lodging establishments identified by regulation.
Municipal Tax (MT)	The portion of Hotel Tax which is due to the municipality in which the establishment operated.
Social Service Tax (SST)	Charged on the goods and services identified by regulation.
International Fuel Tax Agreement (IFTA)	North American fuel cost balancing mechanism for trucking and distribution companies that operate interjurisdictionally.
Tobacco Tax	Remitted by tobacco wholesale companies and Native retailers.
Boats, Aircraft and Manufactured Homes (BAM)	Social Service Tax charged on purchases or legal transfers.
Registration, Close of Business (Reg/COB)	Registration fees or outstanding Social Service Tax due as a result of establishing or closing a business in British Columbia.
Motor Fuel Tax	Remitted by fuel distribution companies.

ACCOUNT TYPE	DESCRIPTION
Asset Payment and Casuals	Social Service Tax on assets identified by regulation, where no account and/or business has been established.

2.6 Property Tax

EDS will perform the Remittance Services for the Property Tax accounts described below as of the Commencement Date:

ACCOUNT TYPE	DESCRIPTION
Rural Property Tax (RPT)	Annual taxes levied to all property owners of parcels that are not within incorporated boundaries – includes various district and school tax charges.
Property Transfer Tax (PTT)	Charged on the purchase or transfer of property as identified by regulation.
Land Tax Deferment (LTD)	Deferral program for eligible property owners to defer annual property taxes charged (municipal or rural).
School Tax (ST)	Administration of the school taxes received by all municipalities for redistribution to school districts.
Miscellaneous/Search Fees	Fees received for clearance searches on property taxes owing to the Province.

2.7 Income and Corporate Tax

EDS will perform Remittance Services for the Income and Corporate Tax accounts described below as of the Commencement Date:

ACCOUNT TYPE	DESCRIPTION
Corporate Capital Tax (CCT)	Provincial tax owing by companies that achieve a percentage of income identified by regulation.
Insurance Premium Tax (IPT)	Charged to insurance providers.
Logging Tax (LT)	Tax owing by companies that achieve a percentage of income from stumpage or harvest operations.
Mineral Land Tax (MT)	Tax on mining operations in the Province.

2.8 Mineral, Oil and Gas

EDS will perform Remittance Services for the Mineral, Oil and Gas Tax accounts described below as of the Commencement Date:

ACCOUNT TYPE	DESCRIPTION
Mineral Oil and Gas (MOG)	Includes Mineral Tax Act, the Mineral Land Tax Act, the Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation, the Oil and Gas Commission Levy, and the Mine Health and Safety Inspection Fee.

2.9 Payments on Non-Tax Receivables

EDS will perform Remittance Services for non-tax Programs described in Sections 3.2 to 3.8 below as of the Commencement Date.

2.10 Bus Pass

EDS will perform Remittance Services for the Bus Pass accounts described below as of the Commencement Date:

ACCOUNT TYPE	DESCRIPTION
Bus Pass	The annual application fees for subsidized bus pass, includes initial applications and renewals.

2.11 Commercial Loans

EDS will perform the Remittance Services for the Commercial Loan accounts described below as of the Commencement Date:

ACCOUNT TYPE	DESCRIPTION
Commercial Loans	Loans to commercial enterprises.

3. Collection

3.1 Description of Collection Services

3.1.1 Collection Principles

EDS will perform the Collection Services according to the Principles of Collection described in the SOW 2, Level 2 Document. The Principles of Collection include principles that govern the following:

- Collection of amounts owed to the Province in a timely manner without compromising government policies and Program integrity.
- Consolidated, multi-debt collection, where possible, to enhance efficiency as well as customer service.

3.1.2 Debtor Contact

EDS will interact with the debtors using a combination of the following activities:

- Dunning – includes demand and other letters and notices.
- Inbound calls and enquiries.
- Determine ability to pay – may involve assessing the debtors' current financial situation, credit ratings, adjudicating financial reports, bank checks.
- Outbound collection calling – initiate calls based on debt risk assessment.
- Payment arrangement and deferral arrangements – based on assessment of ability to pay, payment may be deferred or alternative payment arrangements established.
- Monitoring payment plans and account deferrals.
- Escalation of enforcement activity as required – may include recommendations and hand-off for Government Administered Collection Actions and PCA assignments.

3.1.3 Program Ministry Interactions

EDS will interact with Program Ministries for the In-Scope Programs in which the Revenue Services are provided, which interactions may include:

- Transfer of account – establish financial obligation from the Programs.
- Recall of accounts to the Programs – return the account to the Program Ministry for Program debt validation.

- Referrals to Program Ministries – account will be maintained by EDS, but the applicable Program Ministry may be engaged during the collection process to assist in clarification of information (e.g., terms of existing payment arrangements).

3.1.4 Private Collection Agency Management

EDS will establish and maintain PCA relationships, including:

- Negotiation, establishment, administration and management of contracts with PCAs.
- Determination of strategies for account referral to PCAs for collection.
- Recall of accounts from PCAs.
- Monitoring of PCA activities and performance.

3.1.5 Skip Tracing

EDS will perform skip tracing services to locate debtors and their assets.

3.1.6 Policy Administration

EDS will administer collection policies developed by the Province.

3.1.7 Collection Support and General Administration Activities

EDS will perform collection support activities including the monitoring of payments and deferral arrangements and other related activities.

EDS will also perform administration activities such as management of physical files and mail handling associated with collection activities.

3.1.8 Support for Government Administered Collection Actions

EDS will make recommendations and provide the required documentation and rationale to the Province in support of the following Government Administered Collection Actions:

- Section 204 of the Land Title Act.
- Third Party Demand under Section 83 of the Financial Administration Act.
- Set-off under the Section 38 of the Financial Administration Act.
- Canada Revenue Agency (CRA) Set-off.
- Compromise Settlements, Write-offs and Extinguishments.

EDS will make recommendations to the Province in support of litigation required or otherwise recommended in connection with the collection process. The Province will prepare all applicable court documents and initiate and monitor all litigation proceedings.

EDS will refer accounts to the CRA set-off program in accordance with approved Province guidelines and will manage related enquiries, recalls and refunds of overpayments.

EDS will manage the bankruptcy and Orderly Payment of Debt processes and any related payment orders or arrangements.

For greater certainty, in providing support for the Government Administered Collection Actions, EDS will not, at any time, provide legal advice or legal services to the Province.

3.2 Medical Services Premium (MSP)

EDS will provide Collection Services as of the Commencement Date for the MSP premiums described below (a more detailed description of these Programs is included in the SOW 2, Level 2 Document).

ACCOUNT TYPE	DESCRIPTION
MSP Pay Direct	These are MSP accounts for premiums that are billed through the direct pay program. Premiums are assessed by the program based on family size and income levels and are collected from day 1 of the billing process.
MSP Group Pay	These accounts represent premiums for individuals that are billed through the group pay program (i.e., corporate payments for employees, or other third party payments for groups of individuals).

3.3 Ambulance

EDS will provide Collection Services as of the Commencement Date for the Ambulance Accounts described below (a more detailed description of this Program is included in the SOW 2, Level 2 Document):

ACCOUNT TYPE	DESCRIPTION
Ambulance fees	Emergency Health Services fees – ground and air provincial transport.

3.4 Ministry of Human Resources (MHR)

EDS will provide Collection Services as of the Commencement Date for the MHR Accounts described below (a more detailed description of these Programs is included in the SOW 2, Level 2 Document):

ACCOUNT TYPE	DESCRIPTION
Employment and Assistance Overpayments	In general, "Employment and Assistance Benefits" debts arise from overpayments of benefits to individuals under various MHR social service programs.
Hardship Grants	Hardship grants are advanced to individuals and families to mitigate financial hardship.
Security (Damage Deposits)	MHR makes loans to individuals to use as security deposits which become repayable when the individual is no longer receiving benefits whether or not they have vacated the premises.

3.5 Immigrant Sponsorship

EDS will perform Bill Presentment and Collection Services as of the Commencement Date for the Immigrant Sponsorship Accounts described below

(a more detailed description of this Program is included in the SOW 2, Level 2 Document):

ACCOUNT TYPE	DESCRIPTION
Immigrant Sponsorship	Immigrant Sponsorship debts arise pursuant to a contract and undertaking between the debtor and the federal government. The federal government must assign undertakings to the Province before collection can occur.

3.6 Court Fines

EDS will perform the Collection Services as of the Commencement Date for the Court Fines Accounts described below (a more detailed description of this Program is included in the SOW 2, Level 2 Document):

ACCOUNT TYPE	DESCRIPTION
Court Fines	These are non-motor vehicle-related fines assessed by the Province of British Columbia.

3.7 British Columbia Student Assistance Program

The British Columbia Ministry of Advanced Education (MAE), Student Service Branch (SSB) administers the British Columbia Student Assistance Program (BCSAP), which offers financial assistance for post-secondary education including the British Columbia Student Loan Program (BCSL) and British Columbia Student Grant Overaward (BCGO).

EDS will perform Collection Services as of the Commencement Date for the BCSAP Accounts described below (a more detailed description of these Programs is included in the SOW 2, Level 2 Document):

DEBT TYPE	DESCRIPTION
Guaranteed British Columbia Student Loans	Defaulted provincially guaranteed student loans provided by banks to students. Program ended in August 1995.
Risk Share Student Loans	Defaulted student loans issued by financial institutions under a Risk Sharing Agreement with the Province. These loans defaulted due to bankruptcy or death while the student was attending school. The program ended July 31, 2000.
Direct Lending Student Loans	Defaulted student loans issued by the Province. The portfolio represents loans that are 150 days past due and have been claimed to the Province.
British Columbia Grant Over Award	Grants issued by the Province become repayable in certain circumstances. There will be no new grants issued after August 2004.
Student Grant Over Award, Joint Federal & Provincial	Grants jointly issued by the Province and the federal government become repayable in certain circumstances. The portfolio and all related transactions are allocated 100% federal.
Grant Over Award, Federal	Federal grants issued to students eligible for British Columbia Student Loans become repayable in certain circumstances. The portfolio and all related transactions are allocated 100% federal.

DEBT TYPE	DESCRIPTION
Canadian Millennium Scholarship Program (CMS)	Federally funded scholarships become repayable in certain circumstances.

3.8 Miscellaneous Programs

EDS will provide Collection Services as of the Commencement Date for the miscellaneous Programs listed in Appendix C – In-Scope Collection for Miscellaneous Programs attached to the SOW 2, Level 2 Document.

4. Customer Service

4.1 Description of Customer Services

EDS will provide Customer Services and thereby respond to customer queries (received in writing, by fax, telephone or email) regarding billings, refund requests, transfers between accounts, lost payments and other anomalies in the billing process in respect of the In-Scope Programs for which the Province requests any such Customer Services (whether initially requested as of the Commencement Date, or later requested during the Term pursuant to the Revenue Management Operating Plans, the Change Order Process or otherwise), including the Programs identified in Appendix A – In-Scope Program Matrix attached to the SOW 2, Level 2 Document.

4.2 Scope of Customer Service

EDS will perform the Customer Service functions in support of the overall Revenue Services described in this SOW 2, Level 1 Document, as follows:

CUSTOMER SERVICE FUNCTION	FUNCTION ACTIVITIES
Billing Enquiry	<ul style="list-style-type: none"> • Bill suppression. • Refund request. • Change to bill cycle. • Update account demographic information (address). • Authorize pre-authorization debit.
Account Verification	<ul style="list-style-type: none"> • Ensure that payments are accurately applied. • Send detailed paid-to-date letters to customer. • Provide account summaries. • Explain discrepancies between customer and billed information. • Validate the amount refunded or owing/credited on the bill. • Exceptions processing. • Sort the incoming correspondence via transfer, handoffs, paper or fax.
Complaint Handling	<ul style="list-style-type: none"> • Bill dispute. • Acknowledge customer's query. • Investigate the query. • Take actions – e.g., request bill adjustment using standard forms, adjust bill, reply to customer, notify MPR, close the request.
Inbound Appeals	Receive query through mail, phone, email, fax, etc.
General Information	Validate the information that has been received via mail, fax, phone, email.

5. Account Management

5.1 Description of Account Management Services

EDS will provide Account Management Services in respect of the In-Scope Programs for which the Province requests any such Account Management Services (whether initially requested as of the Commencement Date, or later requested during the Term pursuant to the Revenue Management Operating Plans, the Change Order Process or otherwise), including the maintenance of the sub-ledger account information, billing customers for amounts due, receiving and processing payments, collecting unpaid amounts and reporting back to the customer.

For greater clarification, the Program Ministries are responsible for enrolment of customers and establishing financial obligations. Program Ministries are also responsible for ensuring the accuracy of their respective non-tax receivables described in Section 3 of this SOW 2, Level 1 Document.

The Program Ministries, and where applicable, the Ministry, will provide or make available to EDS (via electronic transmission or otherwise) all new account balances, adjustments and recalls in respect of the In-Scope Programs for which EDS provides any Revenue Services.

5.2 Scope of Account Management Services

EDS will perform the Account Management Services in support of EDS' overall Revenue Services, as follows:

ACCOUNT MANAGEMENT FUNCTION	FUNCTION ACTIVITIES
Account Adjustment	<ul style="list-style-type: none">• Record debit transactions establishing the financial obligation.• Record credits – e.g., payments, setoffs, and transfers, etc.• Calculate and apply penalty and interest (transaction and cyclical).• Dishonored payment – journal vouchers and direct account debit.
Accounts Receivable	<ul style="list-style-type: none">• Periodic reporting (roll up) to government, Program Ministries and Programs regarding Revenue.• Aged Accounts.• Account adjustments for Bankruptcy, Refunds, Payments.• Recommendation for write-offs, extinguishments, settlement and compromise.

ACCOUNT MANAGEMENT FUNCTION	FUNCTION ACTIVITIES
Reconciliation	<ul style="list-style-type: none">• Bank account management and reconciliation.• Financial Management Reports.• Financial adjustments.• General ledger account balancing (the portfolio reconciliations will recognize the allocation between provincial and federal recoveries where applicable).

6. Strategy, Performance and Quality

6.1 Description of Strategy, Performance and Quality

EDS will establish Strategy, Performance and Quality functions in respect of the Revenue Services, and will perform analytics at the following levels:

- Overall Revenue Services operations.
- Individual functions.
- Operational processes.
- Collection strategies.
- Individual performers.

In addition, EDS will also facilitate and perform ongoing enhancement activities in respect of the overall Revenue Services provided to the Province under the terms of the Master Agreement.

6.2 Scope of Strategy, Performance and Quality

The Strategy, Performance and Quality that EDS will perform as part of the Revenue Services include the following:

ANALYTICS FUNCTION	FUNCTION ACTIVITIES
Performance Reporting	Support the ongoing performance reporting requirements across the Revenue Services. Principal responsibilities include: <ul style="list-style-type: none"> • Monitor performance against target using jointly determined Service Levels and outcomes and generating other diagnostic and ad-hoc reports. • Support operational and agent performance reporting requirements. • Interpret performance metrics, identify root cause drivers and recommend appropriate mitigating strategies and processes to continuously enhance performance. • Support workload trend analysis and other forecasting.

ANALYTICS FUNCTION	FUNCTION ACTIVITIES
Analytics and Strategy Evolution	<p>Develop, implement and monitor the success of specific collection strategies as deployed against statistical samples of each portfolio (however defined) to determine the best-performing strategy.</p> <p>The principal responsibilities include:</p> <ul style="list-style-type: none"> • Conceive collection strategies as defined by timing, specific activities conducted in defined sequences, correspondence used, collection recourse activities deployed, etc. • Model development and maintenance. • Interface with transformation.
Enhancement Execution	<p>Day-to-day point of coordination to manage ongoing activities related to transformation.</p> <p>The principal responsibilities include:</p> <ul style="list-style-type: none"> • Support the development of Revenue Management Operating Plans defining enhancements and transformation activities. • Daily point of contact for requirements definition, issue resolution, communications planning, and implementation activities related to transformation projects. • Directly conceive and execute process enhancement activities related to ongoing operations to continuously drive new methods and approaches.
Compliance	<p>Allows EDS to balance the Ministry's public policy mandate with revenue management objectives.</p> <p>The principal responsibilities include:</p> <ul style="list-style-type: none"> • Monitor and investigate incoming complaints to track complaint incidence rates and determine whether complaints may be deemed as legitimate or spurious. • Monitor calling activity (inbound and outbound customer service and collection) to determine compliance with policy, professional standards and public sector policy guidelines.

Appendix A – Definitions

Words having initial capital letters in this SOW 2, Level 1 Document shall have the meanings given to them in Schedule 1 of the Master Agreement. In addition, for purposes of the SOW 2 Documents, the following words shall have the following meanings:

“Account Management Services” means that portion of the Revenue Services described under Part 5 of this SOW 2, Level 1 Document and as further described in the SOW Documents, as the same may be amended from time to time.

“Bill Presentment Services” means that portion of the Revenue Services described under Part 2 of this SOW 2, Level 1 Document as applicable and as further described in the SOW Documents, as the same may be amended from time to time.

“Collection Services” means that portion of the Revenue Services described under Part 3 of this SOW 2, Level 1 Document and as further described in the SOW Documents, as the same may be amended from time to time.

“Customer Services” means that portion of the Revenue Services described under Part 4 of this SOW 2, Level 1 Document and as further described in the SOW Documents, as the same may be amended from time to time.

“In-Scope Programs” means the Programs which are in-scope with respect to the Services provided by EDS to the Province under the Master Agreement, including the Programs described in Appendix A, In-Scope Program Matrix and in Appendix C. In-Scope Collections for Miscellaneous Collections Programs, as well as any other Programs that are now or in the future, within the scope of the Ministry’s mandate for purposes of providing “revenue management services” or that may be created by the Province or otherwise come to being.

“PCA” means Private Collection Agency.

“Principles of Collection” means the collection principles described in SOW 2, Level 2 Document, as the same may be amended from time to time.

“Remittance Services” means that portion of the Revenue Services described under Part 2 of this SOW 2, Level 1 Document and as further described in the SOW Documents, as the same may be amended from time to time.

British Columbia Revenue Management Project

SOW 2, LEVEL 2

REVENUE SERVICES

Table of Contents

1.	REVENUE SERVICES OVERVIEW	1
1.1	BILL PRESENTMENT AND REMITTANCE.....	1
1.2	COLLECTIONS.....	3
1.3	CUSTOMER SERVICES.....	5
1.4	ACCOUNT MANAGEMENT.....	5
1.5	STRATEGY, PERFORMANCE AND QUALITY.....	5
2.	BILL PRESENTMENT AND REMITTANCE	7
2.1	BILL PRESENTMENT PROCESS FLOW - GENERAL.....	7
2.2	REMITTANCE SERVICES PROCESS FLOWS.....	8
2.2.1	<i>Remittance Services Process Flow – General.....</i>	<i>8</i>
2.2.2	<i>Remittance Services Process Flow – Returns Processing.....</i>	<i>10</i>
2.2.3	<i>Correspondence Process Flow.....</i>	<i>10</i>
2.3	MEDICAL SERVICE PREMIUM PLAN (MSP) – PROCESS FLOWS AND DESCRIPTIONS.....	11
2.3.1	<i>MSP – Bill Presentment – Pay Direct and Group</i>	<i>11</i>
2.3.2	<i>MSP – Remittance – Pay Direct and Group</i>	<i>11</i>
2.4	AMBULANCE.....	11
2.5	CONSUMER TAX.....	11
2.5.1	<i>Consumer Tax – Social Service / Hotel / Municipal Tax.....</i>	<i>11</i>
2.5.2	<i>Consumer Tax – International Fuel Tax Agreement.....</i>	<i>11</i>
2.5.3	<i>Consumer Tax – Tobacco Tax.....</i>	<i>12</i>
2.5.4	<i>Consumer Tax – Motor Fuel Tax.....</i>	<i>12</i>
2.5.5	<i>Consumer Tax – Asset and Casual Payments (includes REG / COB and ACS)</i>	<i>12</i>
2.6	PROPERTY TAX.....	12
2.6.1	<i>Property Tax – Rural Property Tax.....</i>	<i>12</i>
2.6.2	<i>Property Tax – Property Transfer Tax</i>	<i>12</i>
2.6.3	<i>Property Tax – Land Tax Deferment.....</i>	<i>12</i>
2.6.4	<i>Property Tax – School Tax.....</i>	<i>12</i>
2.6.5	<i>Property Tax – Miscellaneous / Search Fees.....</i>	<i>12</i>
2.7	INCOME AND CORPORATE TAX.....	13
2.7.1	<i>Income and Corporate Tax – Corporate Capital Tax.....</i>	<i>13</i>
2.7.2	<i>Income and Corporate Tax – Insurance Premium Tax.....</i>	<i>13</i>
2.7.3	<i>Income and Corporate Tax – Logging Tax.....</i>	<i>13</i>
2.7.4	<i>Income and Corporate Tax – Mineral Land Tax.....</i>	<i>13</i>
2.8	MINERAL, OIL AND GAS TAX	13
2.9	PAYMENTS ON NON-TAX RECEIVABLES.....	13
2.10	BUS PASS.....	14
2.11	COMMERCIAL LOANS.....	14
2.12	BILL PRESENTMENT AND REMITTANCE FOR TAX/NON-TAX REVENUE PROGRAMS ROLES AND RESPONSIBILITIES	14
3.	COLLECTION	16
3.1	DESCRIPTION OF COLLECTION SERVICES.....	16
3.1.1	<i>Principles.....</i>	<i>16</i>
3.1.2	<i>Debtor Contact.....</i>	<i>20</i>
3.1.3	<i>Program Ministry Interactions.....</i>	<i>22</i>
3.1.4	<i>Private Collection Agency Management.....</i>	<i>22</i>
3.1.5	<i>Skip Trace.....</i>	<i>24</i>
3.1.6	<i>Support for Government Administered Collection Actions.....</i>	<i>26</i>
3.1.7	<i>Administration and Claims Processing.....</i>	<i>27</i>

3.2	MEDICAL SERVICES PREMIUM (MSP)	28
3.2.1	<i>MSP – Pay Direct</i>	28
3.2.2	<i>MSP – Group Pay</i>	28
3.3	AMBULANCE.....	28
3.4	MINISTRY OF HUMAN RESOURCES (MHR).....	29
3.4.1	<i>MHR – Overpayments of Employment and Assistance</i>	29
3.5	IMMIGRANT SPONSORSHIP.....	29
3.6	COURT FINES.....	29
3.7	BRITISH COLUMBIA STUDENT ASSISTANCE PROGRAM	30
3.8	MISCELLANEOUS PROGRAMS.....	30
3.9	COLLECTION CUSTOMER CONTACT	30
3.10	COLLECTION ROLES AND RESPONSIBILITIES.....	31
3.10.1	<i>Revenue and Collection</i>	31
3.10.2	<i>Government Administered Collection Actions</i>	34
3.10.3	<i>Skip Trace</i>	37
4.	CUSTOMER SERVICE	38
4.1	CUSTOMER SERVICE PROCESS FLOW.....	38
4.1.1	<i>Customer Service – Billing Enquiries</i>	38
4.1.2	<i>Customer Service – Account Verification</i>	38
4.1.3	<i>Customer Service – Complaint Handling</i>	39
4.1.4	<i>Customer Service – Inbound Appeals</i>	40
4.1.5	<i>Customer Service – General Information</i>	40
4.2	CUSTOMER SERVICE ROLES AND RESPONSIBILITIES.....	40
5.	ACCOUNT MANAGEMENT	43
5.1	ACCOUNT ADJUSTMENT PROCESS FLOW	43
5.2	ACCOUNT RECEIVABLE PROCESS FLOWS	45
5.3	RECONCILIATION PROCESS FLOWS	46
5.4	ACCOUNT MANAGEMENT ROLES AND RESPONSIBILITIES.....	48
6.	STRATEGY, PERFORMANCE AND QUALITY SERVICES	53
6.1	STRATEGY, PERFORMANCE AND QUALITY SERVICES PROCESS FLOW.....	53
6.1.1	<i>Strategy, Performance and Quality– Performance Reporting</i>	53
6.1.2	<i>Strategy, Performance and Quality– Analytics and Strategy Evolution</i>	53
6.1.3	<i>Strategy, Performance and Quality– Enhancement Execution</i>	54
6.1.4	<i>Strategy, Performance and Quality– Compliance</i>	54
6.2	STRATEGY, PERFORMANCE AND QUALITY – ROLES AND RESPONSIBILITIES.....	55
7.	APPENDIX A: IN -SCOPE PROGRAM MATRIX.....	56
8.	APPENDIX B: FREQUENCY/VOLUME TABLES	60
8.1	BILLING AND REMITTANCE PROCESSING	60
8.1.1	<i>Remittance Services Process Flow – General</i>	60
8.1.2	<i>MSP – Bill Presentment – Pay Direct and Group</i>	62
8.2	COLLECTION SERVICES.....	63
8.2.1	<i>MSP – Pay Direct</i>	63
8.2.2	<i>MSP – Group Pay</i>	65
8.2.3	<i>Ambulance</i>	65
8.2.4	<i>MHR – Overpayments of Employment and Assistance</i>	66
8.2.5	<i>Immigrant Sponsorship</i>	66
8.2.6	<i>Court Fines</i>	66
8.2.7	<i>British Columbia Student Assistance Program</i>	67
8.2.8	<i>Miscellaneous Programs</i>	68
8.2.9	<i>Collection Customer Service</i>	68
8.3	CUSTOMER SERVICE.....	69

8.4	ACCOUNT MANAGEMENT.....	70
8.4.1	Account Adjustment.....	70
8.4.2	Account Receivable.....	70
8.4.3	Account Reconciliation.....	71
9.	APPENDIX C: IN -SCOPE COLLECTION FOR MISCELLANEOUS PROGRAMS	72
10.	APPENDIX D: IN -SCOPE COLLECTION PROGRAM ATTRIBUTES AND BUSINESS/OPERATIONAL IMPACTS.....	74
10.1	MEDICAL SERVICES PLAN (MSP) – PAY DIRECT PREMIUMS.....	74
10.1.1	Attributes.....	74
10.1.2	Business/Operational Impacts.....	74
10.2	MSP – GROUP BILLING.....	77
10.2.1	Attributes.....	77
10.2.2	Business/Operational Impacts.....	77
10.3	AMBULANCE SERVICES.....	78
10.3.1	Attributes.....	78
10.3.2	Business/Operational Impacts.....	78
10.4	MINISTRY OF HUMAN RESOURCES (MHR) EMPLOYMENT AND ASSISTANCE.....	79
10.4.1	Attributes.....	79
10.4.2	Business/Operational Impacts.....	79
10.5	MHR COURT ORDERED RESTITUTION.....	80
10.5.1	Attributes.....	80
10.5.2	Business/Operational Impacts.....	80
10.6	MHR IMMIGRANT SPONSORSHIP.....	81
10.6.1	Attributes.....	81
10.6.2	Business/Operational Impacts.....	81
10.7	MINISTRY OF ATTORNEY GENERAL COURT FINES.....	83
10.7.1	Attributes.....	83
10.7.2	Business/Operational Impacts.....	83
10.8	MINISTRY OF ADVANCED EDUCATION BRITISH COLUMBIA STUDENT ASSISTANCE PROGRAM.....	84
10.8.1	Guaranteed Program – Attributes.....	84
10.8.2	Risk Share Program – Attributes.....	84
10.8.3	Direct Lend Program – Attributes.....	84
10.8.4	Grant Overawards – Attributes.....	85
10.8.5	Business/Operational Impacts.....	85
11.	APPENDIX E: EXISTING PROCESS FLOWS	86
11.1	IMMIGRANT SPONSORSHIP.....	87
12.	APPENDIX F: EDS DEFINITIONS	88

1. Revenue Services Overview

This SOW 2, Level 2 Document describes the general scope and functions of the following components of the Revenue Services to be provided by EDS to the Province under the terms of the Master Agreement in respect of all In-Scope Programs for which the Province requests any such Revenue Services (whether initially requested as of the Commencement Date, or later requested during the Term pursuant to the Revenue Management Operating Plans):

- Bill Presentment and Remittance.
- Collections.
- Customer Service.
- Account Management.
- Strategy, Performance and Quality.

The Revenue Services for each of the above-noted components are more particularly described in Appendix A - In-Scope Program Matrix attached to the SOW 2, Level 2 Document.

1.1 Bill Presentment and Remittance

EDS will perform Bill Presentment and Remittance Services (process bills where applicable and incoming remittances, reconcile returns and cheque stubs to cheques and electronic payments, and deposit the funds in the applicable Province bank accounts) for all In-Scope Programs for which the Province requests any such Bill Presentment and Remittance Services (whether initially requested as of the Commencement Date, or later requested during the Term pursuant to the Revenue Management Operating Plans).

All EDS Revenue Management Services staff performing Bill Presentment and Remittance functions will continue to have access to all systems currently in use by the MPR staff. These systems include (but are not limited to) the following.

- R&PB (Registration and Premium Billing System) – Medical Services Plan (MSP) Data Base
- Note Codes (attached to R&PB System) – MSP Account Comment Data Base
- Preference (attached to R&PB System) – MSP Account Code Description and referral and contact numbers
- LAS (Loan Administration System, AKA, CLAS) – Collection Loan Management Branch (CLMB) Data Base
- GARMS (Government Agents Revenue Management System) – Government Agents Daily Financial Transaction

- ABIS (Ambulance Billing Inquiry System) – Emergency Health Services Commission (EHSC) Data Base
- CMS (Cheque Management System) – Cheque Enquiry System
- CAS Oracle – Financial Management Reporting
- CAS Discoverer – Financial Management Reporting
- CICSPH – Upload System used for MSP Dishonoured Cheques and handling CareCard System Items
- CICSPK – Client Registry System
- PAE (Payment Authority Engine) – Used to send Premium Refund file to Provincial Treasury
- MCASH (Miscellaneous Cash) – Used to key and upload MSP Cash Adjustments
- MHS Content Manager – Imaging viewer
- MSP Sub-Ledger Detail – Customized Program using Delphi Software
- Write-Off Program (Excel Spreadsheet) – Monthly MSP premium Write-Off
- TACS
- RITB
- RAPPS

Tax Remittance

EDS will perform the Remittance Services for the following tax Programs as of the Commencement Date:

- Consumer Tax.
- Property Tax.
- Income and Corporate Tax.
- Mineral, Oil and Gas.

Non-Tax Bill Presentment & Remittance

EDS will perform the Bill Presentment and Remittance Services for the following non-tax Programs as of the Commencement Date:

- MSP (Group and Direct).
- Such other non-tax Programs as determined by the Parties in the Revenue Management Operating Plans.

Non-Tax Remittances

EDS will perform the Remittance Services for the following non-tax Programs as of the Commencement Date:

- Bus Pass.
- Ambulance.

1.2 Collections

Collections Overview

EDS will perform Collection Services in accordance with the agreed upon Principles of Collection (described in this SOW 2, Level 2 Document) in respect of all In-Scope Programs for which the Province requests any such Collection Services (whether initially requested as of the Commencement Date, or later requested during the Term pursuant to the Revenue Management Operating Plans).

As part of the Collection Services, EDS will perform the following functions for the Programs listed below as of the Commencement Date (each of which is more fully described in Section 3 of this SOW 2, Level 2 Document).

- Debtor Contact – interaction with debtors using a combination of activities.
- Program Ministry Interactions – interaction with Program Ministries.
- Private Collection Agency Management – establishment and maintenance of PCA relationships.
- Skip Tracing – performance of skip tracing activities to locate debtors and their assets.
- Policy Compliance – compliance with Province policies relating to collection activities.
- Collection support activities and general administration activities.
- Support for Government Administered Collection Actions - document preparation for Province authorization.

Initial Programs for Commencement Date include:

- MSP – Medical Services Plan premiums due to the Ministry of Health Services – Pay Direct and Group Accounts.
- Ambulance – overdue Ambulance fees due to the Ministry of Health Services.
- BCSAP – British Columbia Student Assistance Program debts due to Ministry of Advanced Education.
- MHR – employment and assistance debt and court restitution orders due to the Ministry of Human Resources (Employment and Assistance Benefits, Court Orders).
- MHR – Immigrant Sponsorship debt due to the Ministry of Human Resources.

- Ministry of the Attorney General – unpaid Court Fines (non motor vehicle).
- Miscellaneous portfolios, as outlined in Appendix C - In-Scope Collection for Miscellaneous Programs attached to the SOW 2, Level 2 Document.

Out-of-Scope Collection Functions

For greater clarification, the following functions relating to the collection activities will remain the responsibility of and will be performed by the Province, and accordingly, they are out-of-scope and do not constitute or otherwise form part of the Services to be performed by EDS under the terms of the Master Agreement:

- Creation of receivables (Enrolment).
- Temporary Premium Assistance Administration for MSP.
- Home Owner Grant Administration.
- Commercial Loan Program Administration.
- Authority for use of Government Administered Collection Actions.
- Extinguishment or compromise of government debt.
- Write-off of government debt relating to the Programs.
- Litigation document preparation, initiation of court proceedings, and conduct and monitoring of litigation process.
- Account management processes supporting all out-of-scope functions listed above.

EDS is not providing legal advice or legal services as part of the Services, all of which will remain the responsibility of the Province.

Business Transformation

As part of the RMS Build and Transform Services, EDS will develop an integrated solution that will transform the Collection Services to fully integrate and leverage them with the RMS Build, as more particularly described in the SOW 4 Documents. In particular, the RMS Build and Transform Services will include the following capabilities in support of the Collections Services, in each case, as more particularly described in the SOW 4 Documents:

- Work and case flow management.
- Collector contact management (including daily organization of work requiring follow-up).
- Payment and deferral arrangement creation and tracking.

- Risk scoring and decision components to segment collection portfolios, build work queues, and experiment with alternative collection strategies.
- Telephony support to efficiently route incoming contacts and manage outbound calls.
- Performance reporting and monitoring.

1.3 Customer Services

The Customer Services include customer care activities which facilitate voluntary compliance of payment of amounts owing to the Province. EDS will perform Customer Services in respect of the In-Scope Programs for which the Province requests any such Customer Services (whether initially requested as of the Commencement Date, or later requested during the Term pursuant to the Revenue Management Operating Plans). The Customer Services include the following (as more particularly described in section 4 below):

- Support services, including responding to customer queries regarding billings, refund requests, transfers between accounts, lost payments and other anomalies in the billing process.
- Responding to referrals from the Program Ministries to address customer inquiries regarding billings.
- Responding to inbound customer requests received by the telephone, email or written correspondence (letter or fax) directly from customers, their representatives, the Ministry, Program Ministries and other government agencies.

1.4 Account Management

EDS will provide Account Management Services (administer the financial accounting processes throughout the revenue management cycle including account adjustments, sub-ledger maintenance, and accounts receivable and revenue reporting and reconciliation), as more particularly described in section 5 below, for which the Province requests any such Account Management Services (whether initially requested as of the Commencement Date, or later requested during the Term pursuant to the Revenue Management Operating Plans). As of the Commencement Date, EDS will provide the Account Management Services for the non-tax programs identified in 1.2 above.

1.5 Strategy, Performance and Quality

EDS will provide the Province with Strategy, Performance and Quality services in respect of the In-Scope Programs for which EDS is providing Revenue Services (whether initially requested as of the Commencement Date, or later requested during the Term pursuant to the Revenue Management Operating Plans), which will include the following (as more particularly described in section 6 below):

- Performance reporting.
- Analytics and strategy evolution.
- Enhancements execution.
- Compliance.

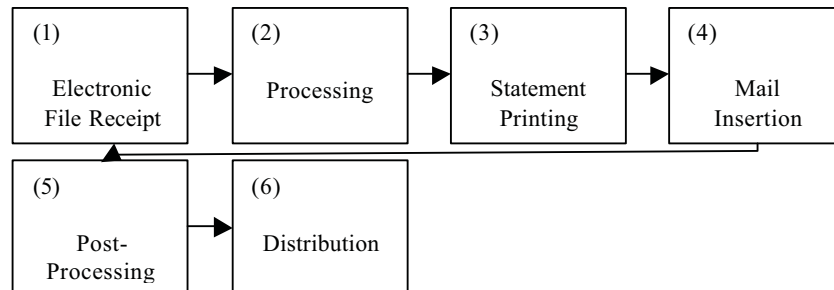
2. Bill Presentment and Remittance

Set forth below is a general description of the process flows for the Bill Presentment and Remittance services. Detailed procedures for the Bill Presentment and Remittance services will be described in the SOW 2, Level 3 documents.

Bill Presentment refers to statement printing for Programs such as MSP.

For more detailed responsibilities with respect to the processes described in Section 2, refer to the Roles and Responsibilities matrix, section 2.12.

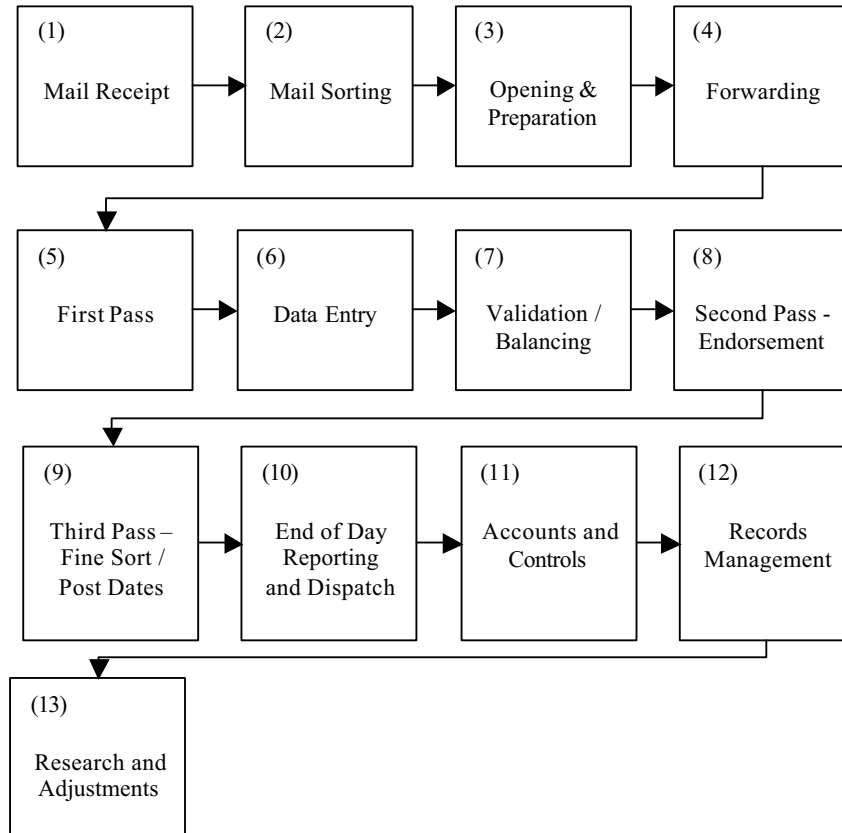
2.1 Bill Presentment Process Flow - General



BILL PRESENTMENT PROCESS FLOW - GENERAL	
PROCESS	DESCRIPTION
• Electronic File receipt	File receipt is the acceptance of input files for statement printing.
• Processing	Processing is the arrangement of a print file.
• Statement Printing	Printing is the imaging of file contents onto pre-printed forms.
• Mail Insertion	Mail Insertion includes folding and stuffing of pre-printed materials, including: <ul style="list-style-type: none"> • Statements. • Informational inserts.
• Post Processing	Post Processing is the management of postage on envelopes.
• Distribution	Distribution is the process of managing the delivery of postage paid envelopes to the postal carrier and/or courier.

2.2 Remittance Services Process Flows

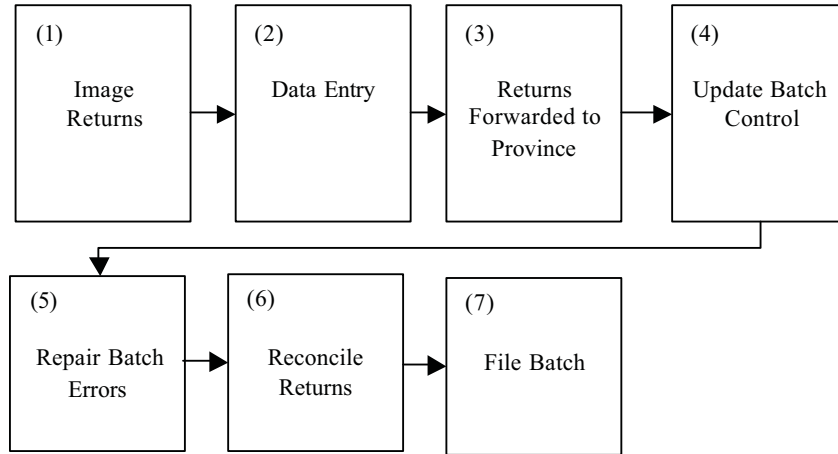
2.2.1 Remittance Services Process Flow – General



REMITTANCE SERVICES PROCESS FLOW - GENERAL	
PROCESS	DESCRIPTION
• Mail Receipt	Mail is picked up from Canada Post by a bonded courier and delivered to EDS processing centre.
• Mail Sorting	Mail received from all sources is sorted by payment and correspondence grouping.
• Opening and Preparation	Mail is received and prepared for processing by program type and correspondence.
• Forwarding	Remittances and correspondence are distributed.

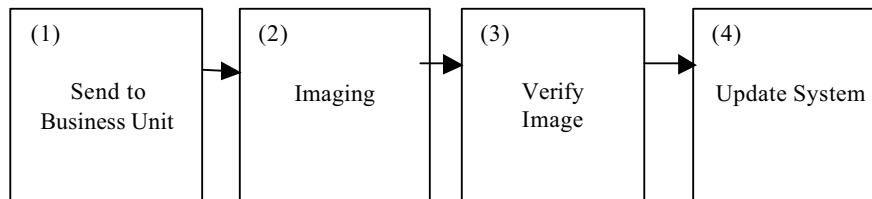
REMITTANCE SERVICES PROCESS FLOW - GENERAL	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> • First Pass 	First pass will capture the front and back image of the cheque and remittance stub/coupon, microfilm the cheque and remittance stub/coupon, and imprint audit trail information on the back of each cheque and stub/coupon.
<ul style="list-style-type: none"> • Data Entry 	The capture of return and payment data to upload to relative systems.
<ul style="list-style-type: none"> • Validation and Balancing 	Validation and balancing ensures that the total value of credits (stubs/coupons) is equal to the total value of debits (cheques/settlement drafts).
<ul style="list-style-type: none"> • Second Pass Endorsements 	Second pass cheques are matched against the MICR data information captured during "First Pass" to account for cheques. Cheques are encoded with the dollar amounts captured or keyed in earlier process steps.
<ul style="list-style-type: none"> • Third Pass – Fine Sort of Post-dated Cheques 	Batches of post-dated cheques and accompanying batch control tickets are sorted by value date. Detailed listings of post-dated cheques are generated and verified.
<ul style="list-style-type: none"> • End of Day Reporting and Dispatch 	Data transmissions, images and reports are generated. Daily courier packages are prepared and sent from a material subcontractor to EDS.
<ul style="list-style-type: none"> • Accounts and Controls 	Processed cheques are prepared in accordance with the banking arrangements for each revenue stream. Processed cheques are dispatched to the appropriate bank branch/processing centre, for deposit to the Ministry's accounts.
<ul style="list-style-type: none"> • Records Management 	Physical records, including hard copies of imaged envelopes, coupons/stubs, and returns are managed and archived.
<ul style="list-style-type: none"> • Research and Adjustments 	Exception processing to adjust payments on accounts (refer to Section 5.0 Account Management for additional information).

2.2.2 Remittance Services Process Flow – Returns Processing



RETURNS PROCESSING	
PROCESS	DESCRIPTION
• Image Returns	Tax returns are imaged.
• Data Entry	Tax return data is captured.
• Returns Forwarded to Province	Returns are forwarded to MPR for further processing and filing.
• Update Batch Control	The batch control application is updated by EDS or by MPR .
• Repair Batch Errors	Batch errors are resolved by EDS or by MPR.
• Reconcile Returns	Batch reconciliation is done between batch control and the relevant revenue application by EDS or by MPR.
• File Batch	Batches are filed by EDS or MPR.

2.2.3 Correspondence Process Flow



CORRESPONDENCE PROCESSING ALL REMITTANCE STREAMS	
PROCESS	DESCRIPTION
1. Send to Business Unit	Correspondence types that are non-payment related are sent to the respective business unit. These include: <ul style="list-style-type: none"> • Appeals. • Refunds. • Letters. • Information Requests.
2. Imaging	Correspondence is scanned and indexed.
3. Verify Image	Images are verified against the paper document to ensure that the image is readable.
4. Update System	Images are uploaded to appropriate systems.

2.3 Medical Service Premium Plan (MSP) – Process Flows and Descriptions.

2.3.1 MSP – Bill Presentment – Pay Direct and Group

This section follows the general process flow described in Section 2.1 above.

2.3.2 MSP – Remittance – Pay Direct and Group

This section follows the general process flows described in Sections 2.2.1 and 2.2.3 above.

2.4 Ambulance

This section follows the general process flow described in Section 2.2.1 above.

2.5 Consumer Tax

2.5.1 Consumer Tax – Social Service / Hotel / Municipal Tax

This section follows the general process flows described in Sections 2.2.1 and 2.2.3 above.

2.5.2 Consumer Tax – International Fuel Tax Agreement

This section follows the general process flows described in Sections 2.2.1, 2.2.2 and 2.2.3 above.

2.5.3 Consumer Tax – Tobacco Tax

This section follows the general process flows described in Sections 2.2.1, 2.2.2 and 2.2.3 above.

2.5.4 Consumer Tax – Motor Fuel Tax

This section follows the general process flows described in Sections 2.2.1, 2.2.2 and 2.2.3 above.

2.5.5 Consumer Tax – Asset and Casual Payments (includes REG / COB and ACS)

This section follows the general process flows described in Sections 2.2.1, 2.2.2 and 2.2.3 above.

2.6 Property Tax

2.6.1 Property Tax – Rural Property Tax

This section follows the general process flows described in Sections 2.2.1, 2.2.2 and 2.2.3 above.

(Returns Processing is applicable to Home Owner Grant only.)

2.6.2 Property Tax –Property Transfer Tax

This section follows the general process flows described in Sections 2.2.1, 2.2.2 and 2.2.3 above.

2.6.3 Property Tax – Land Tax Deferment

This section follows the general process flows described in Sections 2.2.1, 2.2.2 and 2.2.3 above.

2.6.4 Property Tax – School Tax

This section follows the general process flows described in Sections 2.2.1, 2.2.2 and 2.2.3 above.

2.6.5 Property Tax –Miscellaneous / Search Fees

This section follows the general process flows described in Sections 2.2.1 and 2.2.3 above.

2.7 Income and Corporate Tax

2.7.1 Income and Corporate Tax – Corporate Capital Tax

This section follows the general process flows described in Sections 2.2.1, 2.2.2 and 2.2.3 above.

2.7.2 Income and Corporate Tax – Insurance Premium Tax

This section follows the general process flows described in Sections 2.2.1, 2.2.2 and 2.2.3 above.

2.7.3 Income and Corporate Tax – Logging Tax

This section follows the general process flows described in Sections 2.2.1, 2.2.2 and 2.2.3 above.

2.7.4 Income and Corporate Tax – Mineral Land Tax

This section follows the general process flows described in Sections 2.2.1, 2.2.2 and 2.2.3 above.

2.8 Mineral, Oil and Gas Tax

This section follows the general process flows described in Section 2.2.1 above.

2.9 Payments on Non-Tax Receivables

This section follows the general process flows described in Sections 2.2.1, 2.2.2 and 2.2.3 above, with the exception of the following processes.

REMITTANCE PROCESSING COLLECTION REMITTANCE	
PROCESS	DESCRIPTION
<ul style="list-style-type: none">Review Remittance & Prepare batch (refers to 2.2.1 and 2.2.2)	Collection related remittance will be sorted out separately from other remittances.
<ul style="list-style-type: none">Investigate Exceptions (refers to 2.2.3)	Identifies the correct account.
<ul style="list-style-type: none">Verify and Record Remittance Batch (refers to 2.2.1 and 2.2.2)	Different processes are used for recording remittance batches depending on the Program Ministry business rules.
<ul style="list-style-type: none">Enter Coupon Data (refers to 2.2.1 and 2.2.2)	Not applicable for Collection remittance.

REMITTANCE PROCESSING COLLECTION REMITTANCE	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Forward Payments to EDS (refers to 2.2.1) 	Forward Payments Records to EDS.
<ul style="list-style-type: none"> Reconcile Remittance Batch (refers to 2.2.1 and 2.2.2) 	TBD once service provider remittance process is finalized.

2.10 Bus Pass

This section follows the general process flow described in Section 2.2.1 above.

2.11 Commercial Loans

This section follows the general process flows described in Sections 2.2.1 and 2.2.3 above.

2.12 Bill Presentment and Remittance for Tax/Non-Tax Revenue Programs Roles and Responsibilities

ROLES AND RESPONSIBILITIES FOR BILL PRESENTMENT AND REMITTANCE PROCESSING MPR AND EDS		
FUNCTION	MPR	EDS
Bill Presentment	<ul style="list-style-type: none"> Program ministry provides data file. Postage is Province responsibility. Province will provide pre-printed forms. 	<ul style="list-style-type: none"> Files are received for print. Print files are processed. Print files are imaged on pre-printed forms. Pre-printed material is inserted. Postage and envelopes are prepared. Bills are distributed to Canada Post.

ROLES AND RESPONSIBILITIES FOR BILL PRESENTMENT AND REMITTANCE PROCESSING MPR AND EDS		
FUNCTION	MPR	EDS
Remittance Processing	<ul style="list-style-type: none"> MPR receives courier packages from EDS. Program specific records management in accordance with ARCS and ORCS. Exception processing to adjust payments on accounts. MPR will provide to EDS access to currently utilized PO Box numbers for MSP remittances and CLMB correspondence and remittances, including Drop Box at 1802 Douglas. Remittances and correspondence will be redirected to EDS. 	<ul style="list-style-type: none"> Mail is received from Canada Post and Couriers at the processing center. Mail is sorted by payment and correspondence grouping. Mail is opened and prepped by program type and correspondence. Mail is forwarded by program type and correspondence. Images of cheques and coupons are captured in the First Pass. Return and payment data is uploaded to the relevant systems. Remittances are validated and balanced. Cheques are endorsed in the Second Pass. Postdated cheques are sorted in the Third Pass. Data transmissions, images and reports are generated daily. Daily courier packages (containing contents described above) are prepared and sent to MPR. Processed cheques are dispatched to the appropriate bank branch/processing centre, for deposit to the Ministry's accounts. Physical records are managed.
Returns Processing	<ul style="list-style-type: none"> Performs returns processing (varies by Program). Program specific batch repair. Program specific returns reconciliation. Program specific batch filing. 	<ul style="list-style-type: none"> Tax returns are imaged by program type (e.g., IFTA, Corporate Capital Tax). Returns are data entered by program type. Batch Control is updated by program type. Batch errors are repaired by program type. Returns are reconciled by program type. Batches are filed by program type.
Correspondence Processing	<ul style="list-style-type: none"> Program specific correspondence processing. Correspondence is sent to and received from EDS. 	<ul style="list-style-type: none"> Correspondence is sent to and received from MPR. Correspondence is imaged by program type. Images are verified. Systems are update by program type.

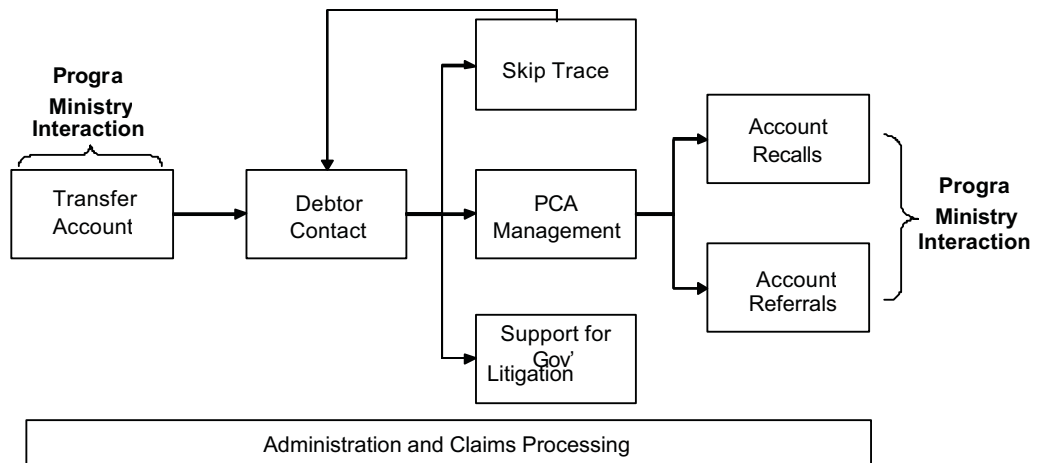
3. Collection

Set forth below is a general description of the process flows for the collection services. Detailed procedures for the collection services will be described in the SOW 2, Level 3 documents.

For more detailed responsibilities with respect to the processes described in Section 3, refer to the Roles and Responsibilities matrix, section 3.10.

3.1 Description of Collection Services

The general processes for the Collection Services include the following:



The Collection Services do not occur in isolation, but are a part of the overall revenue management lifecycle. In addition, the Collection Services diagrammed above provide inputs to other services described in this document, for example the remittance functions.

A collections policy steering committee consisting of representatives from both EDS and MPR will be established for developing any guidelines referenced in this Statement of Work. This steering committee will work in a timely manner to develop these guidelines.

3.1.1 Principles

3.1.1.1 Revenue Services –Collection Principles

EDS will deliver Collection services according to the following principles.

- Collection of amounts owed to the Province in a timely manner without compromising Province policies and Program integrity.

- Consolidated, multi-debt collection, where possible, to enhance efficiency as well as customer service.

Over time, EDS and MPR will jointly review and revise activities relevant to these principles as appropriate through the Joint Management Committee.

EDS will provide the collection services with a quality service approach emphasizing courtesy, willingness to work with debtors to resolve outstanding debt issues, and collecting amounts owed the Province in a manner consistent with a debtor's ability to pay. The procedures implemented by EDS will endeavour to achieve and balance the following goals.

- Implementing procedures that are designed to collect monies owed to the Province in a timely and cost-effective basis.
- Collecting debts in a manner consistent with applicable statutes and regulations, including specifically:
 - *Business Practices and Consumer Protection Act* (British Columbia).
 - *The Freedom of Information and Protection of Privacy Act* (British Columbia).
- Collecting debts in a manner reflective of the Province's policy for fairness and equity, being especially mindful of the intent that collection actions do not force debtors to seek financial assistance from the Ministry of Human Resources, etc.
- Referring debtors to appropriate Program Ministries when there are legitimate account validation issues.
- Following MPR's guidelines regarding the deferral of debt payments when debtors can substantiate their inability to make payments.

3.1.1.2 Program Specific Principles

EDS and MPR will develop specific guidelines for collection that pertain to each collection program and multi-debt collection.

3.1.1.3 Communications with Debtors

EDS understands that all forms of communication with debtors are to be conducted in a courteous and professional manner, and will be reflective of the collection principles described above. The modes of communication include:

- Telephone contact with debtors
- E-mail
- Written correspondence
- In person contact
- Web

Telephone Contacts with Debtors

During telephone or personal contacts with debtors, EDS will convey to the debtor, or attempt to determine from the debtor, the following information.

- Advise the debtor of the nature of the debt and amount due (both principal and interest, as applicable) and that the entire debt is payable immediately.
- Obtain current address, telephone number and place of employment of the debtor, and whether any changes in these are expected.
- Determine the debtor's financial status.

EDS will develop procedures for responding to incoming telephone calls that give the incoming calls a high priority, are consistent with the availability of resources and other collection priorities.

Written Communications

Where appropriate, EDS will use standard letters for all written correspondence used in the collection services. All letters must comply with applicable requirements under the Business Practices and Consumer Protection Act. As appropriate, staff will send letters confirming payment arrangements and deferrals.

Confidentiality

EDS will establish procedures that implement reasonable security precautions to protect Personal Information from unauthorized disclosure or compromise. All Personal Information collected and recorded about debtors is confidential and shall not be released or discussed to unauthorized individuals. Situations where disclosure of debtor Personal Information is permissible include:

- When the individual receiving the information from EDS is authorized to collect the debt owing to the Province.
- When cooperating with the Ministry of Attorney General regarding civil proceedings to collect a debt owing to the Province of British Columbia.
- When authorized by the individual concerned, in writing, specifying to whom the information may be released and for what purpose it may be used.
- When authorized by the MPR for the purposes of communicating with a member of the legislative assembly (MLA) or Ombudsman who has been asked by the individual concerned for assistance.
- To a lawyer representing an individual concerning collection action being taken against that individual.
- In any other circumstance expressly permitted under the *Freedom of Information and Protection of Privacy Act* (British Columbia).

EDS confidentiality procedures will include a process for supervisor review of all requests from outside parties regarding disclosure of Personal Information - before the requested information is disclosed. These procedures will be designed to ensure conformance with the above stated principles of confidentiality.

Full Disclosure

In conjunction with MPR, EDS will develop procedures for identifying itself to debtors who are making the contact. These procedures will provide that the following information is consistently disclosed at the beginning of each contact:

- Identification of the individual making the contact, and proper identification of the brand and EDS.
- The subject of the contact.
- Privacy and confidentially protections that are applicable to any information disclosed during the contact.

Persons who cannot pay their Provincial debts have an obligation to disclose fully their financial circumstances. Debtors who do not make complete financial disclosures will be advised of the possible consequences, which include any of the Government Administered Collection Actions.

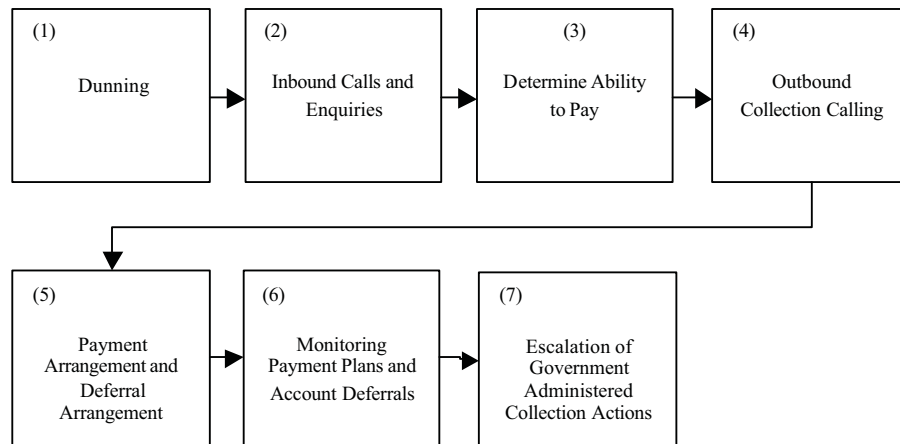
EDS will never “threaten” a debtor with legal action unless the account has been reviewed internally and there is intent to pursue legal action if the debtor refuses to make payment arrangements.

Communications with Government Entities

In conjunction with MPR, EDS will establish procedures regarding inquiries from and contacts with government entities, particularly MLA’s, Ombudsmen, and executives of other Provincial ministries. All such communications will be recorded and EDS will advise MPR thereof immediately.

3.1.2 Debtor Contact

EDS will perform the following functional services with respect to debtor contact.



COLLECTION	
DEBTOR CONTACT	
PROCESS	DESCRIPTION
• Dunning	Letters and other correspondence are generated and sent to debtors indicating past due status of debt owed.
• Inbound Calls and Enquiries	Debtors contact Collection staff in response to Dunning Letters and other contacts.
• Determine Ability to Pay	Collectors determine a debtor’s ability to pay based on financial information, credit ratings, and other available information, in accordance with the Ministry of Finance Office of the Comptroller General, Core Policy Manual, for Revenue Management.

COLLECTION	
DEBTOR CONTACT	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Outbound Collection Calling 	Debtors are contacted via telephone regarding past due debt.
<ul style="list-style-type: none"> Payment Arrangement and Deferral Arrangement 	Arrangements for payment are made with debtors for outstanding debt owed and payment arrangements are documented in the collection system.
<ul style="list-style-type: none"> Monitoring Payment Plans and Account Deferrals 	Collection staff monitor debtor compliance with agreed-to payment and deferral plans.
<ul style="list-style-type: none"> Escalation of Government Administered Collection Actions 	<p>Accounts are referred to MPR for authorization of various enforcement actions:</p> <ul style="list-style-type: none"> Filing of Section 204 Notices Placement of Third Party Demands Approval of requests for set-off under Section 38 of FAA Filing of court actions and judgments Approval of Compromise Settlements, Extinguishments, Write-offs <p>Accounts may also be assigned to Private Collection Agencies (PCAs) or to CRA (in accordance with Government Guidelines) to continue collection activities.</p>

3.1.3 Program Ministry Interactions

COLLECTION PROGRAM MINISTRY INTERACTIONS	
PROCESS	DESCRIPTION
Transfer of Account	Past due accounts are transferred from corresponding Program Ministries to EDS for activities relative to the collection of outstanding debt.
Recall of Accounts to the Programs	Accounts may be recalled by the corresponding Program Ministries for various reasons, e.g., validation of the debt when disputed by the debtor.
Referrals to Program Ministries	Program Ministries may be engaged during the collection process to assist in clarification of debtor information, e.g., terms of existing payment arrangements.

3.1.4 Private Collection Agency Management

COLLECTION PRIVATE COLLECTION AGENCY MANAGEMENT	
PROCESS	DESCRIPTION
Contract Management	EDS is responsible for the negotiation, establishment, administration and management of contracts with PCAs.
Account Referral	EDS will determine strategies for account referral to PCAs for collection.
Account Recall	EDS will recall accounts from PCAs.
Performance Monitoring	EDS will monitor PCA activities and performance.

Contract Management

MPR will extend existing PCA contracts until December 31, 2004; EDS will negotiate new contracts with the PCAs, at government rates and will establish relationships with such PCAs as EDS deems appropriate.

Account Referral

EDS will refer accounts to PCAs from the following Programs and will freely allocate accounts among PCAs.

PROGRAM	PORTFOLIO	DESCRIPTION
BCSAP	Guaranteed British Columbia Student Loans	Program 12 on CLAS.
	Risk Share Student Loans	Program 19 on CLAS.
	Direct Lend student loans	Program 26 on CLAS.

PROGRAM	PORTFOLIO	DESCRIPTION
	British Columbia Grant Overaward (provincial)	Program 20 on CLAS.
	Student Grant Overaward – Joint Federal and Provincial	Program 21 on CLAS.
	Student Grant Overaward - Federal	Program 22 on CLAS.
	Canadian Millennium Scholarship	Program 23 on CLAS.
Employment and Assistance Benefits	Employment and Assistance Benefits –	Program 24 on CLAS only.
MSP	Medical Services Premiums (over 90 days)	Program 36 on CLAS only.
Ambulance Fees	Overdue Ambulance Fees	Program 39 on CLAS only.

PCA PROCEDURES FOR ALL PROGRAMS	
Litigation	<ul style="list-style-type: none"> BCSAP only, and all litigation (section 83, 204) will be forwarded to MPR for approval as outlined in the Roles and Responsibilities for Government Administered Collection Actions.
Compromise Settlements	<ul style="list-style-type: none"> Compromised settlements will be referred by the PCA to EDS, and by EDS to MPR for approval as outlined in the Roles and Responsibilities for Government Administered Collection Actions.
Write-offs	<ul style="list-style-type: none"> Accounts will be recalled for write-off according to specified criteria jointly determined by MPR and EDS. All requests for write-off will be referred to MPR for approval as outlined in the Roles and Responsibilities for Government Administered Collection Actions.
Third Party Demands	<ul style="list-style-type: none"> PCAs may request Third Party Demands (FAA) through EDS. If EDS agrees with the request, EDS will forward to MPR for approval as outlined in the Roles and Responsibilities for Government Administered Collection Actions.
Notice of Crown Debt/Lien on Property	<ul style="list-style-type: none"> PCAs may request Section 204 notices through EDS. If EDS agrees with the request, EDS will forward to MPR for approval as outlined in the Roles and Responsibilities for Government Administered Collection Actions.
CRA assigned accounts – removal of set-off	<ul style="list-style-type: none"> PCAs may request that a CRA set-off be removed from an account. EDS will review and approve the request based on approved CRA guidelines of MPR.

PCA PROCEDURES FOR ALL PROGRAMS	
Credit Counsellor Proposals	<ul style="list-style-type: none"> Approval for proposals will be submitted to EDS.

Account Recall

EDS will execute an account recall process and notify PCAs of results. This will identify accounts officially recalled from the PCA inventories, due to pay out, bankruptcy, debt validation issues at Program Ministries (largely MSP accounts), or by manual intervention.

EDS will also recall accounts from PCAs under the following circumstances:

- Debtor is bankrupt and has submitted a Notice of Assignment into Bankruptcy.
- Debtor has submitted a consumer proposal under the *Bankruptcy and Insolvency Act* (Canada).
- Account has prescribed.
- Write-offs.

3.1.5 Skip Trace

EDS will provide skip trace functions (manual and automated), including the following:

SKIP TRACE	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Address Exception Verification on new accounts 	<ul style="list-style-type: none"> Review Address Exception Report (AER) to reconcile discrepancies.
<ul style="list-style-type: none"> Prescribing Accounts 	<ul style="list-style-type: none"> Verify demographic data for accounts that are within 6-24 months of prescribing.
<ul style="list-style-type: none"> Litigation 	<ul style="list-style-type: none"> Verify demographic and asset information regarding debtors pending filing a Notice of Claim in small claims court.
<ul style="list-style-type: none"> Invoice Review 	<ul style="list-style-type: none"> Review monthly invoices from vendors of Skip Trace data (e.g., Equifax, Trans Union, etc.).
<ul style="list-style-type: none"> Supervision and Reports 	<ul style="list-style-type: none"> Review, prioritize and distribute work among Skip Trace staff. Prepare management reports.
<ul style="list-style-type: none"> Returned Mail Processing 	<ul style="list-style-type: none"> Perform skip trace to locate new address for debtors when invoices, demand letters and other system-generated letters are returned.
<ul style="list-style-type: none"> Ministry of Attorney General support 	<ul style="list-style-type: none"> Provide skip trace services for Attorney General staff, as requested.
<ul style="list-style-type: none"> Search Requests 	<ul style="list-style-type: none"> Perform specific ad hoc skip trace requests for collectors to locate debtors and their assets.
<ul style="list-style-type: none"> Phone Number Trace 	<ul style="list-style-type: none"> Perform skip trace activities to validate phone number.
<ul style="list-style-type: none"> Automated Address scrubbing 	<ul style="list-style-type: none"> Perform various quality assurance functions oriented towards automated validation of demographic information.

All EDS Revenue Management Services staff performing Skip Trace functions will have access to all required government databases and systems. All MOUs with Ministries that provide access to government databases will be renegotiated to permit access to these same databases by EDS' collectors. These databases include:

BC Drivers	Client Registry System	Corporate Accounting Services
ICBC	R&PB	Corporate Directors
BC Identification Display	Home Owner Grant	Alberta On -Line PPR
Personal Property Registry	Ambulance Billing Information System	Alberta On -Line Corporate Registry
Student Financial Assistance System	BC Hydro	Alberta On -Line ALTA
Equifax Consumer	Alberta Drivers	BC Vital Stats
Equifax Commercial	Saskatchewan Drivers	Canada Phone (CD-ROM)
Trans Union	Ontario Drivers	Land Title Office
UK Voters	BC Assessment Authority	Corporate Registry
United States Drivers License Databases: <ul style="list-style-type: none"> • Arizona • California • Colorado • Florida • Idaho • Missouri • Nevada • New York • Oregon • Pennsylvania • Texas • Washington, D.C. • Washington 		

3.1.6 Support for Government Administered Collection Actions

EDS will make recommendations and provide the required documentation and rationale to MPR which supports the following Government Administered Collection Actions.

SUPPORT FOR GOVERNMENT LITIGATION (SUPPORT FOR GOVERNMENT ADMINISTERED COLLECTION ACTIONS)	
TOOL	DESCRIPTION
<ul style="list-style-type: none"> • Section 204 of the <i>Land Title Act (LTA)</i> 	Under Section 204 of the Land Title Act, the Province may register a Notice of Crown Debt against the interest in real property of a person who is indebted to the Province.

SUPPORT FOR GOVERNMENT LITIGATION (SUPPORT FOR GOVERNMENT ADMINISTERED COLLECTION ACTIONS)	
TOOL	DESCRIPTION
<ul style="list-style-type: none"> Third Party Demands under Section 83 of the <i>Financial Administration Act (FAA)</i> 	Under Section 83 of the Financial Administration Act (FAA), the Ministry of Provincial Revenue may issue a demand (to pay) to any (third) party that owes money to a debtor.
<ul style="list-style-type: none"> Set-off under Section 38 of the <i>FAA</i> 	Set-off under Section 38 of the Financial Administration Act is used to attach the wages of a current British Columbia Government employee, or assign payments to suppliers of goods and services to the Province.
<ul style="list-style-type: none"> Canada Revenue Agency (CRA) Set-off 	The set-off program with CRA is a joint venture with the Federal Government to set-off provincial debts against individual income tax refunds/GST monies to repay monies owed to the Province.
<ul style="list-style-type: none"> Court Actions and Judgments 	Court Actions can be initiated against a debtor in accordance with specified criteria determined jointly between MPR and EDS.
<ul style="list-style-type: none"> Bankruptcy Assignment, Consumer Proposal under Bankruptcy or Orderly Payment of Debt (OPD) Plans 	Collection activities must be suspended on accounts when notice is received that a debtor has filed for or is in bankruptcy, or is operating under an Orderly Payment of Debt (OPD) plan.
<ul style="list-style-type: none"> Compromise Settlements 	Compromise Settlements are subject to the provisions regarding extinguishment and write-off of the Financial Administration Act (FAA).
<ul style="list-style-type: none"> Write-off 	EDS will recommend write-offs per specified guidelines jointly agreed to by MPR and EDS.

3.1.7 Administration and Claims Processing

EDS will perform administrative activities in support of collection activities, as follows.

ADMINISTRATION AND CLAIMS PROCESSING	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Filing 	Open and close physical collection files; prepare physical files for off-site storage.
<ul style="list-style-type: none"> Mail handling 	Receive and distribute inbound mail associated with collection accounts, including returned mail; handle outbound mail associated with debt collection.

3.2 Medical Services Premium (MSP)

3.2.1 MSP – Pay Direct

This section follows the general process flow described in Section 3.1 above.

3.2.2 MSP – Group Pay

This section follows the general process flow described in Section 3.1 above, with the exception of the following processes.

COLLECTION MSP – GROUP PAY	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Transfer Account 	There is no electronic process to transfer accounts. A paper report is generated by MHS identifying accounts to be worked.
<ul style="list-style-type: none"> Debtor Contact 	EDS will generate and issue demand letters to Groups.
<ul style="list-style-type: none"> Skip Trace 	Only to validate the legal name of the Group.
<ul style="list-style-type: none"> PCA Management 	EDS will not refer Group accounts to PCAs.
<ul style="list-style-type: none"> Support for Government Litigation (Support for Government Administered Collection Tools) 	EDS makes recommendations for Section 204 and Section 83 demands.
<ul style="list-style-type: none"> Account Recalls 	Group accounts may be cancelled by MSP for non-payment, and EDS can request a Group Account be canceled.

3.3 Ambulance

This section follows the general process flow described in Section 3.1 above, with the exception of the following processes.

COLLECTION AMBULANCE FEE	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Skip Trace 	Only automated address scrub of accounts with return mail are done, no manual skip tracing.

3.4 Ministry of Human Resources (MHR)

3.4.1 MHR – Overpayments of Employment and Assistance

This section follows the general process flow described in Section 3.1 above, with the exception of the following processes.

COLLECTION MHR - OVERPAYMENTS OF EMPLOYMENT AND ASSISTANCE	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Debtor Contact 	An initial Dunning letter is sent by MHR which names EDS as contact for collection activities.

3.5 Immigrant Sponsorship

This section follows the general process flow described in Section 3.1 above, with the exception of the following processes.

COLLECTION IMMIGRANT SPONSORSHIP	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Transfer Accounts 	Includes Enforceable and Unenforceable debt, as determined by the legal collectable period.
<ul style="list-style-type: none"> Debtor Contact 	There are three categories of Dunning letters, enforceable, unenforceable and combination. No collection action can be taken on unenforceable debt beyond notification of potential liability.
<ul style="list-style-type: none"> PCA Management 	Accounts are not referred to PCAs at this time.
<ul style="list-style-type: none"> Support for Government Litigation (Support for Government Administered Collection Actions) 	No Government Administered Collection Actions may be recommended to, or taken by, MPR in respect of Unenforceable debt.
<ul style="list-style-type: none"> Account Recalls 	No recalls are performed for Immigrant Sponsorships. If Sponsor is on income assistance, account is deferred.

3.6 Court Fines

This section follows the general process flow described in Section 3.1 above, with the exception of the following processes.

COLLECTION COURT FINES	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> PCA Management 	Non-Motor Vehicle Court Fines are not referred to PCAs at this time, due to poor data quality.
<ul style="list-style-type: none"> Support for Government Litigation (Support for Government Administered Collection Actions) 	Litigation can not be recommended for unpaid Non-Motor Vehicle Court Fines as debtors can not be sued for these fines.

3.7 British Columbia Student Assistance Program

This section follows the general process flow described in Section 3.1 above, with the exception of the following processes.

COLLECTION BCSAP – ALL PROGRAMS	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Transfer Account 	Accounts are manually transferred for Programs 12 and 19 and input to the CLAS system.
<ul style="list-style-type: none"> Debtor Contact 	An annual requirement to send income tax letters to debtors (indicating principle or interest paid during the year dependent upon Program).

Appendix D contains descriptions of specific attributes of each in-scope collection portfolio.

3.8 Miscellaneous Programs

This section follows the general process flow described in Section 3.1 above. There are a variety of manual and automated processes for these Programs depending on whether or not the program is administered within the CLAS system.

These collection portfolios are listed in Appendix C.

3.9 Collection Customer Contact

This section follows the general process flow described in Section 3.1 above. (See attached Volume Table, Appendix B)

3.10 Collection Roles and Responsibilities

3.10.1 Revenue and Collection

REVENUE AND COLLECTION – ROLES AND RESPONSIBILITIES		
FUNCTION	MPR	EDS
Revenue Collection		
Transfer of accounts from Program Ministries	New accounts are transferred to EDS from Program Ministries on a monthly or weekly basis (electronically or manually), depending on the Program, for all programs in-scope for which EDS is providing the collection services.	EDS receives transferred accounts from Program Ministries.
Transfer account profile between Program Ministries and EDS	MPR will approve recommended write-offs.	For all Programs for which EDS is providing collection services: <ul style="list-style-type: none"> Account profile (adjustments, balances, addresses, etc.) are transferred between CLAS and Program Ministries on a monthly, weekly or daily basis, depending on the Program. EDS will transmit data to MPR according to the existing file format requested by MPR. EDS will make recommendations for write-off and process write-offs approved by MPR.
Account recall	Program Ministries will recall accounts.	Accounts that are recalled by Program Ministries will be released by EDS on demand and collection activity ceased.
Skip tracing	N/A	EDS will perform skip trace functions as described in Skip Trace section of this SOW 2 document.
Dunning letters	N/A	EDS will send Demand/Dunning Letters and other collection correspondence for all Programs for which EDS is providing collection services.
Returned mail management	N/A	EDS will process returned mail for all Programs for which EDS is providing collection services.

REVENUE AND COLLECTION – ROLES AND RESPONSIBILITIES		
FUNCTION	MPR	EDS
Revenue Collection		
Inbound customer contact	N/A	EDS will respond to incoming calls and other contacts from debtors for all Programs for which EDS is providing collection services. Where there may be a debt validity issue, EDS will refer to Program Ministry for resolution.
Outbound customer contact	N/A	EDS will make outbound calls and other contacts to debtors for all Programs for which EDS is providing collection services.
Payment arrangements	N/A	EDS will negotiate and monitor payment arrangements for all Programs for which EDS is providing collection services.
Manage Correspondence	N/A	Review and direct incoming correspondence and update demographic data for accounts.
Billing and account inquiry	N/A	EDS will respond to incoming inquiries from debtors regarding bills received and other account issues for all Programs for which EDS is providing collection services.
PA adjudication and appeals (MSP accounts only)	MHS will handle PA adjudication and appeals.	EDS will refer debtor to MHS and postpone further collection actions pending resolution.
TPA adjudication and appeals (MSP accounts only)	MPR will adjudicate and document TPA applications and notify EDS of outcome.	EDS will refer debtor to MPR and postpone further collection until notified by MPR. Once notified by MPR, EDS will continue collection action.
Deferral adjudication	N/A	EDS will manage deferrals with debtors.
Appeal adjudication	N/A	EDS will refer debtors to MPR/Program Ministries to appeal adverse decisions.
PCA Management	N/A	EDS will select and negotiate contracts with PCAs it wishes to use. EDS will determine which accounts are referred to and recalled from PCAs and execute transfer to PCAs. EDS performs ongoing reconciliation, monitors collection performance of PCAs, recalls accounts as necessary and performs account adjustments.

REVENUE AND COLLECTION – ROLES AND RESPONSIBILITIES		
FUNCTION	MPR	EDS
Revenue Collection		
Filing	MPR (working with Corporate Records Management Branch) will manage long-term storage and disposition of collection files.	EDS will prepare and manage physical case files associated with collection activities, including: opening and closing of files, short-term retention of files and packaging and shipping of files to Government for off-site retention and disposition.

3.10.2 Government Administered Collection Actions

EDS and MPR will jointly develop guidelines for screening and recommending the Government Administered Collection Actions described below.

GOVERNMENT ADMINISTERED COLLECTION ACTIONS – ROLES AND RESPONSIBILITIES		
FUNCTION	MPR	EDS
Registrations under Section 204 of the Land Title Act	<ul style="list-style-type: none"> Review account notes and documentation to confirm compliance with guidelines. Review Swear affidavit. Register Notice with LTO. Perform actions required to release Notice. Authorizes release and notifies EDS. 	<ul style="list-style-type: none"> Confirm that debtor is registered owner of real property in BC. Complete Form 17 and supporting affidavit. Obtain copy of LTO title. Package documentation and forward to MPR for approval. Monitor account for release of Notice when account paid or otherwise meets guidelines for release. Prepare release documentation and forward to MPR for signature.
Third Party Demands under the <i>Financial Administration Act</i> (FAA)	<ul style="list-style-type: none"> Review account notes and documentation to confirm compliance with guidelines. Sign demand. Enforce Demands against Third Parties if they do not comply. Advise EDS of outcome. 	<ul style="list-style-type: none"> Confirm proper name and address of third party. Complete 3rd Party Demand and appropriate cover letters. Package documentation and forward to MPR for final processing and approval. Register with third party once approved by MPR. Perform actions required to release Demand. Monitor account for release of demand when account paid or otherwise meets guidelines for release.
Section 38 Set-offs Demands under the <i>Financial Administration Act</i> (FAA)	<ul style="list-style-type: none"> Review account notes and documentation to confirm compliance with guidelines. Forward setoff request to OCG. Perform actions required to release setoff. Advise EDS of outcome. 	<ul style="list-style-type: none"> Confirm debtor's employment with Province. Prepare the setoff request. Package documentation and forward to MPR for final processing and approval. Monitor account for release of demand when account paid or otherwise meets guidelines for release.

GOVERNMENT ADMINISTERED COLLECTION ACTIONS – ROLES AND RESPONSIBILITIES		
FUNCTION	MPR	EDS
CRA Set-offs	<ul style="list-style-type: none"> Set up initial programs. Establish guidelines for use. Manage CRA relationship. Audit to ensure compliance. 	<ul style="list-style-type: none"> Forward accounts to CRA for registration on CRA setoff database, according to approved schedules and guidelines. Remove accounts from CRA database, according to approved schedules and guidelines. Advise MPR of any issues or anomalies that may compromise setoff program integrity.
Supreme Court Judgments	<ul style="list-style-type: none"> Review recommendation and request to engage Attorney General's Office resources to pursue. Provide assistance to Attorney General's Office in preparation of case. Coordinate between Attorney General's Office and EDS as necessary to prepare and support action. Advise EDS of outcome. 	<ul style="list-style-type: none"> Research account; make recommendation to MPR to initiate action. If judgment obtained, initiate collection action and monitor account to determine if paid in full. EDS supports action. If paid in full, advise MPR to prepare and file Notice of Satisfaction.
Small Claims Court Judgments	<ul style="list-style-type: none"> Review and approve recommendation; initiate actions and prepare documentation; advise EDS of outcome. MPR prepares Notice of Satisfaction. Coordinate between Attorney General's Office and EDS to support action. 	<ul style="list-style-type: none"> Research account, make recommendation to MPR to initiate action and cease collection activity pending notification of outcome by MPR. Advise MPR to prepare and file Notice of Satisfaction.
Bankruptcies	<ul style="list-style-type: none"> If notice of bankruptcy obtained by MPR, forward information to EDS. Review/audit extinguishment and approve. Accept/reject recommendations to oppose bankrupt's discharge; instruct Attorney General's Office accordingly. 	<ul style="list-style-type: none"> When notice of bankruptcy obtained, cease collection actions; research to determine all accounts affected and notify Program Ministries. Prepare and file Proof of Claim . Monitor account for all discharges and dividends. Reinstate collection on BCSAP accounts, as appropriate. Extinguish balances as appropriate, and report accordingly. Where appropriate, consider opposing discharge of bankruptcy; forward recommendation to MPR.

GOVERNMENT ADMINISTERED COLLECTION ACTIONS – ROLES AND RESPONSIBILITIES		
FUNCTION	MPR	EDS
Consumer Proposals / Proposals under Bankruptcy Insolvency Act (BIA)	<ul style="list-style-type: none"> • MPR reviews recommendation for acceptance/rejection from EDS and decides accordingly. • Instructs EDS accordingly (possible account adjustment/extinguishment by EDS). • Audit extinguishment reports. 	<ul style="list-style-type: none"> • EDS receives Proposals, makes recommendation to MPR for acceptance/rejection and ceases collection actions. • If Proposal accepted, monitor for compliance. • Extinguish balances as appropriate, and report accordingly.
CCAA (Companies, Creditors Arrangement Act) – MSP Group, Court Fines	<ul style="list-style-type: none"> • Notice of Proposal received and reviewed by management. • Respond to Proposal accordingly. • Instruct EDS to cease collection action. 	<ul style="list-style-type: none"> • If Notice of Proposal received, refer to MPR. • Cease collection action. • Adjust account in accordance with MPR's instructions.
Offers (Settlements) (allowable for certain programs only)	<ul style="list-style-type: none"> • Review Offer and supporting documentation, and accept/ or reject accordingly. • Advise EDS of decision and terms for final correspondence with debtor. • Audit extinguishments in conjunction with OCG. 	<ul style="list-style-type: none"> • Receive Offer, obtain supporting documentation and document rationale for recommendation for acceptance/rejection of Offer. • Submit recommendation to MPR. • Update account in accordance with MPR's instructions. • If Offer accepted, monitor for compliance. If debtor defaults, continue collection action.
Extinguishments (due to court orders/judgments)	<ul style="list-style-type: none"> • Confirm that court order/judgment reduced debt owing. • Notify EDS regarding appropriate adjustment to account. 	<ul style="list-style-type: none"> • Record adjustment to account and report to MPR.
Extinguishments (due to Order in Council)	<ul style="list-style-type: none"> • Review Offer and supporting documentation, and accept/negotiate or reject accordingly. • Advise EDS of decision and terms for final correspondence with debtor. • Audit extinguishments in conjunction with OCG. 	<ul style="list-style-type: none"> • Receive Offer, obtain supporting documentation and document rationale for recommendation for acceptance/rejection of Offer; submit recommendation to MPR. • Update account in accordance with MPR's instructions. • If Offer accepted, monitor for compliance. If debtor defaults, continue collection action for payment in full.
Extinguishments (prescriptions)	<ul style="list-style-type: none"> • Audit as appropriate. 	<ul style="list-style-type: none"> • Monitor accounts and prepare monthly report of accounts that will prescribe. • Coordinate with PCAs regarding accounts that will prescribe. • Remove accounts that prescribe from collection activities. • Prepare extinguishment report.

GOVERNMENT ADMINISTERED COLLECTION ACTIONS – ROLES AND RESPONSIBILITIES		
FUNCTION	MPR	EDS
Write-off	<ul style="list-style-type: none"> MPR will approve recommended write-offs. 	<ul style="list-style-type: none"> For all Programs for which EDS is providing collection services EDS will make recommendations for write-off and apply approved write-offs.

3.10.3 Skip Trace

SKIP TRACE – ROLES AND RESPONSIBILITIES		
FUNCTION	MPR	EDS
Address Exception Verification on new accounts	N/A	<ul style="list-style-type: none"> Review Address Exception Report (AER) for MSP, MHR accounts. Reconcile discrepancies between addresses on new accounts from Program systems with address data existing in CLAS via inquiries to government and public databases. EDS will support skip trace requirements for accounts remaining in MPR collection.
Prescribing Accounts	N/A	<ul style="list-style-type: none"> Verify demographic data for accounts that are within 6-24 months of prescribing, including accounts at PCAs.
Litigation	N/A	<ul style="list-style-type: none"> Verify demographic and asset information regarding debtors.
Invoice Review	N/A	<ul style="list-style-type: none"> Review monthly invoices from vendors of Skip Trace data (e.g., Equifax, Trans Union, etc.).
Returned Mail Processing	N/A	<ul style="list-style-type: none"> Perform skip trace to locate new address for debtors when invoices, demand letters and other system-generated letters are returned.
Ministry of Attorney General support	N/A	<ul style="list-style-type: none"> Provide skip trace services for Attorney General staff, as requested.
Search Requests (including tombstone data and phone number trace)	N/A	<ul style="list-style-type: none"> Locate debtor address, asset and phone number information.

Note: in performing the skip tracing functions, EDS shall not use any Personal Information in any manner that is contrary to or inconsistent with any Applicable Laws, Province Policies or MOUs.

4. Customer Service

Set forth below is a general description of the process flows for the Customer Services. Detailed procedures for the Customer Services will be described in the SOW 2, Level 3 documents.

For more detailed responsibilities with respect to the processes described in Section 4, refer to the Roles and Responsibilities matrix, Section 4.2.

4.1 Customer Service Process Flow

4.1.1 Customer Service – Billing Enquiries

This function supports customer enquiries regarding MSP billing. Contact can be made in writing, fax, telephone or e-mail.

CUSTOMER SERVICE BILLING ENQUIRES	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> • Bill Suppression 	Activity to suspend statement mailing.
<ul style="list-style-type: none"> • Refund request (includes adjustment request) 	Activity to respond to customer's request for refund (may also include adjustment).
<ul style="list-style-type: none"> • Change to bill cycle 	Customer initiated request to change bill cycle.
<ul style="list-style-type: none"> • Update account demographic information (address) 	Change customer information (such as address information).
<ul style="list-style-type: none"> • Authorize pre-authorization debit 	Customer initiated request to establish pre-authorized debit payments.

4.1.2 Customer Service – Account Verification

CUSTOMER SERVICE ACCOUNT VERIFICATION	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> • Ensure that payments are accurately applied 	Investigate that a customer payment has been applied.

CUSTOMER SERVICE ACCOUNT VERIFICATION	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Send detailed paid to-date letters to customers and provide account summaries 	Provide a statement of account to the customer.
<ul style="list-style-type: none"> Explain discrepancies between customer and billed information 	Investigate and describe to the customer bill discrepancies.
<ul style="list-style-type: none"> Validate the amount refunded or owing/credited on the bill 	Respond to customer – initiated enquiry to validate the amount refunded, owed, or credited.
<ul style="list-style-type: none"> Exceptions processing 	Investigate where payments may have been mis-applied.
<ul style="list-style-type: none"> Sort the incoming correspondence 	Route incoming correspondence received via transfer, handoffs, paper or fax, such as: <ul style="list-style-type: none"> Letters (disputes, adjustments). Correspondence for other MPR areas.

4.1.3 Customer Service – Complaint Handling

CUSTOMER SERVICE COMPLAINT HANDLING	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Bill dispute 	Investigate customer concern regarding the bill.
<ul style="list-style-type: none"> Acknowledge customer's query 	Listen to customer concerns and address the issues.
<ul style="list-style-type: none"> Investigate the query 	Address customer concerns through account investigation.
<ul style="list-style-type: none"> Take actions 	Action may include adjustments, refunds or e-mail replies. Document complaint and resolution on RPB or CLAS.

4.1.4 Customer Service – Inbound Appeals

CUSTOMER SERVICE INBOUND APPEALS	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Receive query through mail, phone, email, fax, etc. 	Receive customer queries regarding account balance and interest charges / penalties and action.

4.1.5 Customer Service – General Information

CUSTOMER SERVICE GENERAL INFORMATION	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Validate the information that has been received via mail, fax, phone, email 	General response to a variety of customer enquiries, such as: <ul style="list-style-type: none"> Program information. Account information (payments, adjustments, etc.).

4.2 Customer Service Roles and Responsibilities

CUSTOMER SERVICE – ROLES AND RESPONSIBILITIES		
FUNCTION	MPR	EDS
Customer Enquiry		
Payment Plans	MPR establishes standards for banking and bank code information.	Respond to debtor requests to set up pre-authorized payment plans (PAP). Note: banking and bank code information provided by debtor must conform to standards set by Provincial government.
Payout Quotes	MHS must identify individuals authorized to request debtor information.	Respond to debtor requests for payout quotes on accounts (mortgage, student loans, etc.). Client ministry may request payouts for Program Ministry purposes (BCSAP loan remission, permanent disability, etc.).
Transaction exceptions	N/A	Respond to debtor requests to research account transaction errors, such as payments not posted when debtor has cancelled cheque as proof of payment.

CUSTOMER SERVICE – ROLES AND RESPONSIBILITIES		
FUNCTION	MPR	EDS
Customer Enquiry		
Income Tax Letters	N/A	Prepare letters to debtors detailing amounts paid as interest on student loans and for principal payments on grant overaward accounts. Letters are prepared and mailed by end of February each year.
Post-dated Cheques	N/A	Respond to debtor requests, submitted through collectors, to void cheques held in inventory.
Mortgage Discharges	N/A	On payout of mortgage accounts, respond to debtor requests to file Form C (certifying discharge of debt) with the Land Title Office.
Sort Incoming Correspondence	Mail destined for MPR will need to be routed to MPR.	Mail as received by EDS and sorted for distribution within EDS. MSP correspondence will be sent to Ministry of Health for imaging.
Account Verification	N/A	Account verification is similar in nature to bill dispute. Additional items for public/customer contact would be for a statement or 'paid to date letter' listing all charges, payments and adjustments to accounts.
Complaint Handling	Program Ministry (MHS) will handle complaints regarding Program Enrolment issues.	Public will write, e-mail, phone or fax to EDS with complaints regarding accounts and collection. All MSP complaints regarding Program Enrolment issues (registration, premium assistance, etc) will be forwarded to MHS. Complaints handled by EDS will be responded to in writing or e-mail or in appropriate manner. MSP accounts may be updated with note codes of R&PB. Document may be imaged by Ministry of Health.
Inbound Appeals	Render decisions for appeals received from EDS and forward same to EDS.	Appeals received by EDS from MSP Group administrators will be regarding interest charges and received by mail, e-mail or fax. Investigation is done by EDS and forwarded to MPR for decision. Prepare and send letter to the appellant with the decision and complete interest adjustment.
General Information	Existing 800 numbers utilized by CLMB and BRB will continue to be used for customer access; MPR will arrange for transfer of these phone numbers to EDS at VITP.	General information will be received by mail, phone, e-mail or fax. The information will be sorted and forwarded to the correct area or shared with EDS via e-mail. If appropriate the information will be imaged. Respond to debtor requests for account balance and/or summary of transaction history. Prepare spreadsheet to replicate transactions on CLAS.

CUSTOMER SERVICE – ROLES AND RESPONSIBILITIES		
FUNCTION	MPR	EDS
Customer Enquiry		
Exceptions Processing	MHS will image MSP requests, if applicable.	Requests may be received from customers and the public regarding exceptions, such as missing payments but cheque cashed. These requests will be sent to the position responsible for exception processing. MSP requests may be imaged by Ministry of Health.

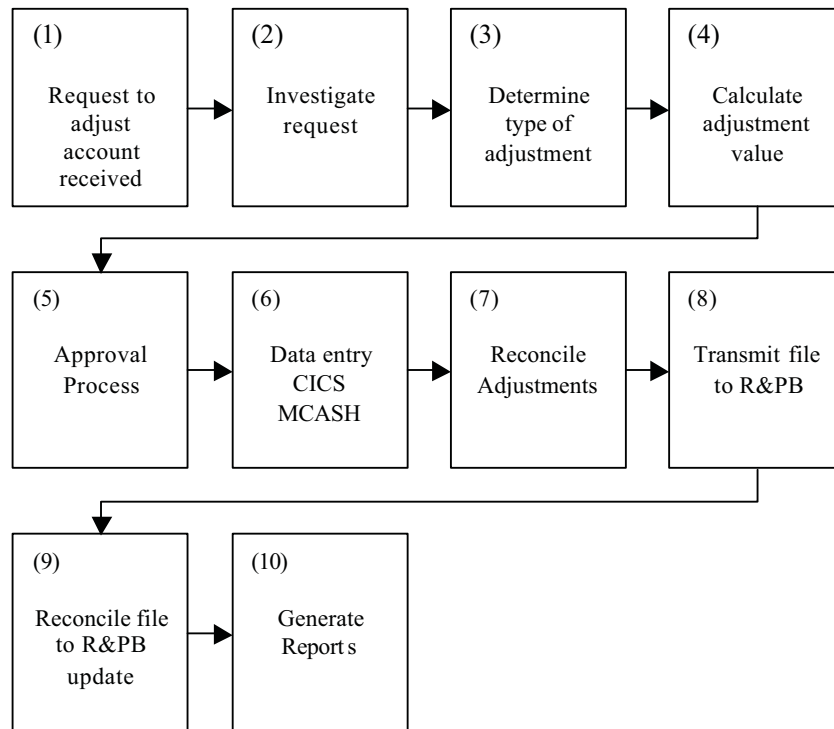
5. Account Management

Set forth below is a general description of the process flow for the Account Management services. Detailed procedures for the Account Management services will be described in the SOW 2, Level 3 documents.

For more detailed responsibilities with respect to the processes described in Section 5, refer to the Roles and Responsibilities matrix, Section 5.4.

5.1 Account Adjustment Process Flow

Account Adjustment



ACCOUNT MANAGEMENT	
ACCOUNT ADJUSTMENT	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Request to adjust account 	Requests received from customers, Program Ministries, financial institutions. Received by phone, fax or e-mail.
<ul style="list-style-type: none"> Investigate request 	View account to ensure requests are valid and accurate. Validate accounts included in the adjustment process.

ACCOUNT MANAGEMENT	
ACCOUNT ADJUSTMENT	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Determine type of adjustment 	Determine type of adjustment to be completed. These will include transfers between accounts, debit or credit adjustment, refund, interest adjustment and payment returns (NSF).
<ul style="list-style-type: none"> Calculate adjustment value 	<ul style="list-style-type: none"> Determine interest to be reversed. Calculate value of return to be applied to account. Determine value to be transferred, refunded or adjusted.
<ul style="list-style-type: none"> Approval Process 	All adjustment requests must be approved by appropriate authority.
<ul style="list-style-type: none"> Data entry CICS MCASH 	Approved requests are batched and data entered into: CICS for returned payment (including Pre-authorized debit returns), or MCASH for all other adjustment types.
<ul style="list-style-type: none"> Reconcile Adjustments 	Ensure adjustments processed through CICS, MCASH balance with the batch processed.
<ul style="list-style-type: none"> Transmit file to R&PB 	File is FTP'd to Health Services, Registration and Premium Billing System (R&PB).
<ul style="list-style-type: none"> Reconcile file to R&PB update 	Once file has been processed by Health Services to the accounts a reconciliation takes place between the R&PB system and the batch processed through CICS or MCASH. Any exceptions will be processed by the exceptions function.
<ul style="list-style-type: none"> Generate Reports 	Generate revenue and account receivable reports (both jointly determined by MPR and EDS), and ad hoc reports.

Bankruptcy

Refer to the Account Adjustment process flow. The following steps are applicable for MSP bankruptcies.

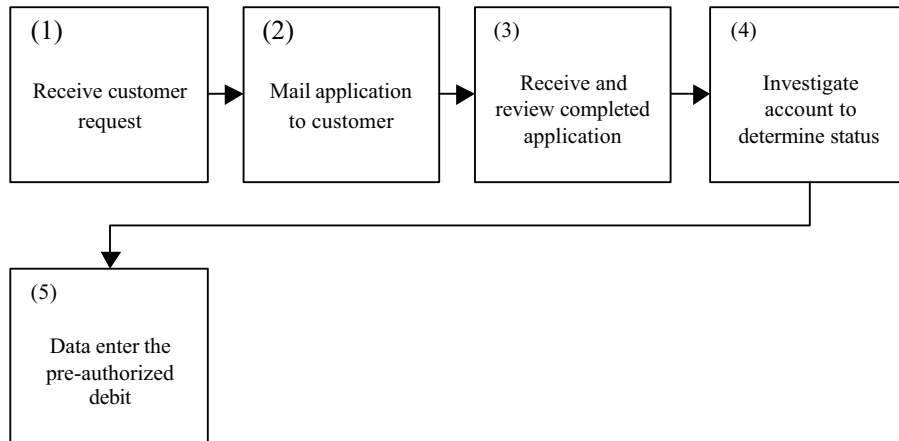
ACCOUNT MANAGEMENT	
ACCOUNT ADJUSTMENT – BANKRUPTCY AND OPD AND CONSUMER PROPOSALS	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Request to adjust account 	Bankruptcy orders are received from lawyers or trustees for review and processing.
<ul style="list-style-type: none"> Investigate request Approval Process 	Each bankruptcy order will be investigated on R&PB to determine if there is an account and if there is any debt or payment for that time period. A Notice of Claim may be filed. For OPD only, there is no approval process.
<ul style="list-style-type: none"> Data entry CICS MCASH 	No data entry for OPD.
<ul style="list-style-type: none"> Reconcile Adjustments 	Ensure adjustments processed through CICS, MCASH balance with the batch processed. An internal journal voucher is completed, and payments are monitored.

Refunds

ACCOUNT MANAGEMENT REFUNDS	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Determine type of adjustment 	Determine type of adjustment to be completed – manual or auto.

5.2 Account Receivable Process Flows

Pre-Authorized Debits



ACCOUNT MANAGEMENT PRE-AUTHORIZED DEBITS	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Receive customer request to establish pre-authorized debit 	Respond to customer-initiated request to set up pre-authorized debit by a variety of media (phone, email, letter mail, fax).
<ul style="list-style-type: none"> Mail application to customer 	Upon receipt of request, mail an application to the customer to set up a pre-authorized debit.
<ul style="list-style-type: none"> Receive and review completed application (return if necessary) 	Upon receipt of application, review each field for completeness and accuracy in preparation of processing.
<ul style="list-style-type: none"> Investigate account to determine status 	Determine if the customer's account meets the criteria for establishing a pre-authorized debit (for example, not in collection status).

ACCOUNT MANAGEMENT PRE-AUTHORIZED DEBITS	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Data enter the pre-authorized debit 	Manually enter the customer and account information to establish the pre-authorized debit.

Write-Offs

Refer to the overall process flow in Section 5.1, for the generic process which is applicable for Write-offs, except the following:

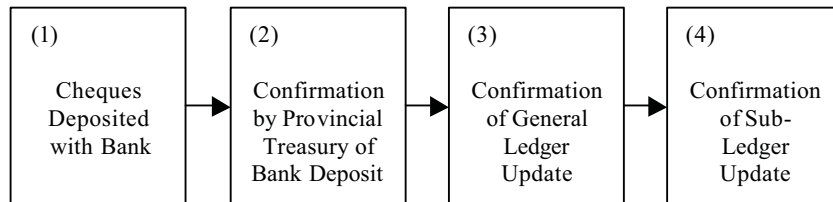
ACCOUNT RECEIVABLE WRITE-OFFS AND EXTINGUISHMENTS	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Request to adjust account 	Requests received from Collection or the Program (Write-offs).
<ul style="list-style-type: none"> Reconcile Adjustments 	Ensure adjustments processed through CICS, MCASH balance with the batch processed. An internal journal voucher is completed.

Note: Account Adjustment processes (except for Reconcile Adjustments) do not apply to write-offs.

5.3 Reconciliation Process Flows

Bank and General Ledger Reconciliation

Refer to the overall process flow in Section 5.1, for the generic process which is applicable for Bank and General Ledger Reconciliation, especially steps (7) through (9). In addition, the following steps are performed:



RECONCILIATION	
BANK AND GENERAL LEDGER RECONCILIATION	
PROCESS	DESCRIPTION
<ul style="list-style-type: none"> Cheques Deposited with Bank 	Cheque Remittances are deposited in the Province's bank accounts. Refer to the Remittance processes above for more detail (Not applicable for General Ledger Reconciliation).
<ul style="list-style-type: none"> Confirmation by Provincial Treasury of Bank Deposit 	Confirmation from the Provincial Treasury that a deposit has been made (Not applicable for General Ledger Reconciliation).
<ul style="list-style-type: none"> Confirmation of General Ledger Update 	Confirmation that the General Ledger has been updated.
<ul style="list-style-type: none"> Confirmation of Sub-Ledger Update 	Confirmation that the Sub-Ledger has been updated.

5.4 Account Management Roles and Responsibilities

ACCOUNT MANAGEMENT- ROLES AND RESPONSIBILITIES		
FUNCTION	MPR	EDS
Account Adjustment (includes Requests to Adjust Account, Investigate Requests, Determine Type of Adjustment, Calculate Adjustment Value, Approval Process, Data Entry, Reconcile Adjustments, System Updates)		
Apply Debit Transactions	Subject to audit by MPR.	Requests will be received from within EDS, from customers or the public for debit adjustments to accounts. Requests will be processed by EDS.
NSF and NSF Service Fees	MPR will approve or have approval to waive NSF service fees. MPR will receive reports of NSF service fees waived and approved from EDS.	NSF cheques are received from Government Agents and from the Financial Institution (HSBC). EDS will request to have NSF service fees waived from MPR. (Unless policy changes waived fees will be requested through MPR). <ul style="list-style-type: none"> • Receive returned items from Provincial Treasury for cheque and PAP payments. • Add NSF service fee, where applicable. • Report NSF service fees to MPR (MSP only). • Generate a returned item letter for each reversal.
Apply Credits	Subject to audit by MPR. MPR will establish guidelines for EDS for credit adjustments.	Credit adjustments will be requested by Program Ministries/customers/public or from within EDS. Requests will be processed by EDS within guidelines established by the Province.
Apply Penalty/Interest	MPR will provide EDS with interest rates.	Interest Penalty will be applied by EDS. EDS will maintain interest rates as provided by MPR.
Refunds	MRP/Program Ministry will provide spending authority and issue refunds.	Refunds may be requested by Program Ministries/customers/public through mail, e-mail, telephone and fax. Refunds will be requested by EDS and sent to MPR for spending authority – manual and electronic.
Transfers, cash exceptions list, and GA suspense list	Subject to audit by MPR.	As a result of contact through customer service or other ministries EDS will perform account transfers which include: <ul style="list-style-type: none"> • Exceptions lists.
Interest Reversals	EDS will report all interest reversals to MPR. Subject to audit.	As a result of customer contact from MSP Group accounts, interest may be charged in error. EDS will complete interest reversals (not forgive interest) and report to MPR.
Cancelled Accounts	N/A	Cancelled accounts in a credit balance will be investigated and coded by EDS.
ADF Adjustments	MPR should notified monthly of all ADF adjustments.	There are some system limitations on R&PB that result in errors that can not be corrected with existing tools. ADF adjustments are completed by MHS systems and reported to EDS and MPR.
Group Investigation Report	MHS will receive lists of un coded Group accounts from EDS.	Provides a list of all uncoded MSP Group accounts, such as no contracts, cancelled but still with active persons, credits or debit balances etc. EDS will action and correct all adjustments.
Error Lists re: Transfers to CLAS	N/A	EDS will receive reports of all accounts that have been sent to CLAS for statistical purposes.

ACCOUNT MANAGEMENT- ROLES AND RESPONSIBILITIES		
FUNCTION	MPR	EDS
Account Adjustment (includes Requests to Adjust Account, Investigate Requests, Determine Type of Adjustment, Calculate Adjustment Value, Approval Process, Data Entry, Reconcile Adjustments, System Updates)		
PAD exception list	Statistics on PAD exceptions to be provided monthly.	EDS will execute all required adjustments for PAD exceptions. These include: <ul style="list-style-type: none"> • NSF. • Deceased. • Closed Accounts. • Wrong account.
Extinguishment (Statute barred accounts)	MPR will receive report for extinguishment from EDS for approval.	Extinguishment report comes to EDS from R&PB. This report lists all accounts and balances that will be removed from accounts as the amount is considered statute barred and not collectable. EDS will prepare an 'application for write-off/extinguishment' form and forward to MPR. (Extinguishment based upon Province approval.)
Bankruptcy refund suppress list	Approve spending authority for refunds.	A note code is added to the system to ensure unauthorized refunds are not produced. Release approved suppressed refunds (manual).
Write-off Report	MPR takes recommendations to the SFO of Program area; includes automatic write-off and advises EDS of decisions.	A write off report is generated by CLAS. EDS recommends write-offs and forwards recommendations to MPR using the 'Application for write-off/extinguishment' form. EDS processes approved write-offs on applicable system after authorization.
Orderly Payment of Debt, Judgments	N/A	EDS records and monitors the OPD and Judgments. No adjustment to account is made (MSP). Adjust account status, interest rates, balances, other adjustments as required due to legal proceedings.
Consumer Proposals	<ul style="list-style-type: none"> • MPR reviews recommendation for acceptance/rejection from EDS and decides accordingly. • Instructs EDS accordingly (possible account adjustment/extinguishment by EDS). • Receive extinguishment report from EDS. • Audit extinguishment reports. 	<ul style="list-style-type: none"> • EDS receives Proposals, makes recommendation to MPR for acceptance/rejection and ceases collection actions. • If Proposal accepted, monitor for compliance. • Extinguish balances as appropriate, and report accordingly.

ACCOUNT MANAGEMENT– ROLES AND RESPONSIBILITIES		
FUNCTION	MPR	EDS
Account Adjustment (includes Requests to Adjust Account, Investigate Requests, Determine Type of Adjustment, Calculate Adjustment Value, Approval Process, Data Entry, Reconcile Adjustments, System Updates)		
Bankruptcy	<ul style="list-style-type: none"> If notice of bankruptcy obtained by MPR, forward information to EDS. Review/audit extinguishment for approval. Accept/reject recommendations to oppose bankrupt's discharge; instruct Attorney General's office accordingly. 	<ul style="list-style-type: none"> When notice of bankruptcy obtained, cease collection actions; research to determine all accounts affected and notify Program Ministries. Prepare and file Proof of Claim if applicable. Monitor account for all discharges and dividends. Reinstate collection on BCSAP accounts, as appropriate. Extinguish balances as appropriate, and report accordingly. Where appropriate, consider opposing discharge of bankruptcy; forward recommendation to MPR.

RECONCILIATION (INCLUDES CHEQUE DEPOSITED WITH BANK, CONFIRMATION TDI, CONFIRMATION GL, CONFIRMATION SUB-GL)		
FUNCTION	MPR	EDS
Bank Account Management & Reconciliation	Refunds must be authorized by MPR.	Bank accounts are reconciled by EDS (HSBC), PAD (CUCBC). Accounts are reconciled with: <ul style="list-style-type: none"> bank statement TDI system Sub ledger General ledger EDS will provide to MPR reconciliations monthly.
Wire Transfers	N/A	EDS will accept wire transfers from customers to the Province's bank accounts and make account adjustments.
Audit	Audit is performed on various adjustments for compliance.	Audit is performed on various adjustment forms to ensure accuracy and to ensure compliance to procedures.

ACCOUNT ADJUSTMENT		
FUNCTION	MPR	EDS
Adjustments particular to BCSAP Re-instatements Loan Remissions Recalled Claims Permanent Disability Capitalized Interest	Audit adjustments.	Student loan balances may be adjusted according to Program policies. Balances may be reduced or the accounts may be returned to client ministry or financial institutions.
Back-dated Transaction Verification	Audit adjustments.	Verify the account balance and interest of back-dated transactions. Enter adjustment transaction in CLAS.

ACCOUNT ADJUSTMENT		
FUNCTION	MPR	EDS
Apply legal or collection fees	Approve payment request and process disbursement.	Adjust accounts per invoices for collection expenses (e.g., process service) or protectionary disbursements (e.g., payment of real estate taxes to preserve Provincial interest in property) received from litigation. Prepare payment request and enter transaction on CLAS. Forward payment request to MPR for processing and disbursement.
Transfers by journal vouchers	N/A	Post payments received by other government offices, which are communicated via journal vouchers. Enter payment transactions into appropriate system. Ensure journal voucher has posted to GL.
Post dated cheques	N/A	Maintain inventory of post dated cheques submitted by debtors. Process checks at applicable due date. Enter Event Note on CLAS if applicable.

ACCOUNT EXCEPTIONS		
FUNCTION	MPR	EDS
Offers (Settlements) (allowable for certain programs only)	<ul style="list-style-type: none"> Review Offer and supporting documentation, and accept/ or reject accordingly. Advise EDS of decision and terms for final correspondence with debtor. Audit extinguishments in conjunction with OCG. 	<ul style="list-style-type: none"> Receive Offer, obtain supporting documentation and document rationale for recommendation for acceptance/rejection of Offer. Submit recommendation to MPR. Update account in accordance with MPR's instructions. If Offer accepted, monitor for compliance. If debtor defaults, continue collection action.
Process adjustments received from program ministries	Audit Adjustments.	CLAS may reject transactions in an electronic transmission if an account is in a closed status (paid out, recalled, extinguished, etc). Review the rejection report and either enter a manual transaction on CLAS or advise the program ministry that the transaction was rejected.

AUDIT AND RECONCILIATION		
FUNCTION	MPR	EDS
Bank Management Account & Reconciliation	MPR receives all CRA setoff recoveries for Province. MPR prepares journal vouchers for posting to CLAS accounts and submits to EDS in a timely basis. Non-CLAS CRA recoveries are remitted to applicable offices (via journal voucher or payment request).	Province Bank accounts are established for specific deposits. Deposits are reconciled daily to the Provincial Treasury Deposit Information System (TDI Report). CRA setoffs received by MPR are posted to CLAS per journal vouchers received from MPR. CLAS transactions are reconciled daily (payments and adjustments).

Portfolio reconciliations	MPR will perform the monthly reconciliation of portfolio balances and reconciliation to Program Ministry A/R systems.	For each portfolio, EDS will produce a monthly accounts receivable report and a summary of all transactions posted. EDS will prepare documents and forward to MPR for review and spending authority.
---------------------------	---	---

ACCOUNTS RECEIVABLE		
FUNCTION	MPR	EDS
Reporting – Client ministries	Client Ministries receive financial activity reports from EDS	EDS will transmit electronic financial activity reports to Program Ministries (MHR, MSP, and Ambulance) weekly. The reports include all transactions posted to the portfolio within the reporting period. Reporting to Court Fines is manual (there is no electronic file for the activity on this portfolio).
Statistics	MPR will receive the following weekly reports: <ul style="list-style-type: none"> • Retail loan report • Incremental revenue • Recoveries through Vote 43 • Cost ratios • Aged a/r reports • CRA deposits • PCA recoveries 	EDS will prepare the following reports on a monthly basis, and submit to MPR: <ul style="list-style-type: none"> • Retail loan report • Incremental revenue • Recoveries through Vote 43 • Cost ratios • Aged a/r reports • CRA deposits • PCA recoveries
Revenue estimates	EDS will provide monthly transaction summary reports monthly.	Copies of monthly transaction summary reports provided to MPR.

OTHER		
FUNCTION	MPR	EDS
Lease accounts	Lease revenue payments applied on CLAS.	N/A
Student Loan claims	Claims for defaulted accounts received from financial institutions. Claim adjudicated and appropriate amount paid out.	New receivable established on CLAS.
Claims for Loss (MAP)	Claims for defaulted accounts received from financial institutions. Claim adjudicated and appropriate amount paid out.	New receivable established.
Buybacks of mortgages from Bank of Montreal	Claims for defaulted accounts received from bank and adjudicated.	New mortgage receivable established on CLAS.

6. Strategy, Performance and Quality Services

Set forth below is a general description of the process flows for the Strategy, Performance and Quality services. Detailed Strategy, Performance and Quality services will be described in the SOW 2, Level 3 documents.

For more detailed responsibilities with respect to the processes described in Section 6, refer to the Roles and Responsibilities matrix, Section 6.2.

6.1 Strategy, Performance and Quality Services Process Flow

6.1.1 Strategy, Performance and Quality – Performance Reporting

PERFORMANCE REPORTING PROCESS
<ul style="list-style-type: none">Monitoring performance against Service Levels and Outcomes and generating other diagnostic and ad-hoc reports.
<ul style="list-style-type: none">Supporting operational and agent performance reporting requirements.
<ul style="list-style-type: none">Working with the EDS Revenue Services lead and Function leads to interpret performance metrics, identify root cause drivers and recommend appropriate mitigating strategies and processes to continuously enhance performance.
<ul style="list-style-type: none">Supporting workload trend analysis and other forecasting.

6.1.2 Strategy, Performance and Quality – Analytics and Strategy Evolution

ANALYTICS AND STRATEGY EVOLUTION PROCESS
<ul style="list-style-type: none">Conceiving collection strategies as defined by timing, specific activities conducted in defined sequences, correspondence used, collection recourse activities deployed, etc.
<ul style="list-style-type: none">Model development and maintenance.
<ul style="list-style-type: none">Interface with Transformation activities.

6.1.3 Strategy, Performance and Quality – Enhancement Execution

ENHANCEMENT EXECUTION PROCESS
<ul style="list-style-type: none">• Supports the development of Flight Plans defining enhancements and transformation activities.
<ul style="list-style-type: none">• Daily point of contact for requirements definition, issue resolution, communications planning, and implementation activities related to transformation projects including liaison with MPR.
<ul style="list-style-type: none">• Directly conceives and executes process enhancement activities related to ongoing operations to continuously drive new methods and approaches.

6.1.4 Strategy, Performance and Quality – Compliance

COMPLIANCE PROCESS
<ul style="list-style-type: none">• Monitor and investigate incoming complaints, to track complaint incidence rates and determine whether complaints may be deemed as legitimate or spurious.
<ul style="list-style-type: none">• Monitor calling activity (inbound and outbound customer service and collection) to determine compliance with policy, professional standards, Province Policies, Service Levels, and Outcomes.

6.2 Strategy, Performance and Quality – Roles and Responsibilities

STRATEGY, PERFORMANCE AND QUALITY – ROLES AND RESPONSIBILITIES		
FUNCTION	MPR	EDS ADVANCED SOLUTIONS INC
Performance Reporting	For the retained portion of CLAS these functions will continue.	Support the management and operational reporting requirements for Service Levels and Outcomes from operations outsourced by MPR.
Champion/Challenger Analytics and Strategy Evolution	Input into strategy.	Provide champion/challenger strategy support for the Collection Services.
Enhancements	For the retained functions.	Implementation of enhancements.
Compliance	Audit.	<p>Monitor and investigate incoming complaints.</p> <p>Track complaint incidence rates.</p> <p>Determine whether complaints may be deemed as legitimate or spurious.</p> <p>Monitor calling activity (inbound and outbound customer service and collection).</p> <p>Determine compliance with policy, professional standards, Province Policies, Service Levels and Outcomes.</p>

7. Appendix A: In-Scope program matrix

	BILL PRESENTMENT AND REMITTANCE		COLLECTION				
	Bill Presentment	Payment Remittance	Debtor Contact	Ministry Program Interactions	PCA Management	Skip Trace	Government Administered Collection Tools
	Program						
MSP							
MSP Direct	X	X	X	X	X	X	X
MSP Group	X	X	X	X	X	X	X
MHR							
BC Benefits Overpayments		X	X	X	X	X	X
Court Orders		X	X	X	X	X	X
BCSAP							
BC Student Loans		X	X	X	X	X	X
BC Grant Overawards		X	X	X	X	X	X
Immigrant Sponsorships		X	X	X	X	X	X
Court Fines		X	X	X	X	X	X
Property tax							
Real Property Tax		X					
Property Transfer Tax		X					
Land Tax Deferment		X					
Miscellaneous		X					
School Tax		X					
Consumer Taxation							
Social Service Tax		X					
Hotel Room Tax		X					
Municipal Tax Flow Through		X					
Motor Fuel Tax		X					
International Fuel Tax Agreement		X					
Tobacco Tax		X					
Asset Payments and Casuals		X					
REG/COB and BAM		X					
Income and Corporate Taxation							
Corporation Capital Tax		X					
Insurance Premium Tax		X					
Logging Tax		X					
Mineral Land Tax		X					
Tax Collections - All							
Post-dated - All		X					
Bus Pass (MHR)		X					
Ambulance (EHS)		X	X	X	X	X	X
Mineral, Oil and Gas Taxation							
Mineral Oil and Gas Tax		X					
Oil Royalty		X					
Gas Royalty		X					
Misc Collection Portfolios		X	X	X	X	X	X

	CUSTOMER SERVICE (MSP)				
		Account	Complaint	Inbound	General
	Billing Enquiry	Verification	Handling	Appeals	Information
Program					
MSP					
MSP Direct	X	X	X	X	X
MSP Group	X	X	X	X	X
MHR					
BC Benefits Overpayments					
Court Orders					
BCSAP					
BC Student Loans					
BC Grant Overawards					
Immigrant Sponsorships					
Court Fines					
Property tax					
Real Property Tax					
Property Transfer Tax					
Land Tax Deferment					
Miscellaneous					
School Tax					
Consumer Taxation					
Social Service Tax					
Hotel Room Tax					
Municipal Tax Flow Through					
Motor Fuel Tax					
International Fuel Tax Agreement					
Tobacco Tax					
Asset Payments and Casuals					
REG/COB and BAM					
Income and Corporate Taxation					
Corporation Capital Tax					
Insurance Premium Tax					
Logging Tax					
Mineral Land Tax					
Tax Collections - All					
Post-dated - All					
Bus Pass (MHR)					
Ambulance (EHS)					
Mineral, Oil and Gas Taxation					
Mineral Oil and Gas Tax					
Oil Royalty					
Gas Royalty					
Misc Collection Portfolios					

	ACCOUNT		
	Account	Account	Reconciliatio
	Adjustmen	Receivabl	
Program			
MSP			
MSP	X	X	X
MSP	X	X	X
MHR			
BC Benefits	X	X	X
Court	X	X	X
BCSAP			
BC Student	X	X	X
BC Grant	X	X	X
Immigrant	X	X	X
Court	X	X	X
Property			
Real Property			
Property Transfer			
Land Tax			
Miscellaneo			
School			
Consumer			
Social Service			
Hotel Room			
Municipal Tax Flow			
Motor Fuel			
International Fuel Tax			
Tobacco			
Asset Payments and			
REG/COB and			
Income and Corporate			
Corporation Capital			
Insurance Premium			
Logging			
Mineral Land			
Tax Collections -			
Post-dated -			
Bus Pass			
Ambulance	X	X	X
Mineral, Oil and Gas			
Mineral Oil and Gas			
Oil			
Gas			
Misc Collection	X	X	X

	ANALYTICS AND ENHANCEMENTS SUPPORT			
	Analytics and			
	Performance Reporting	Strategy Evolution	Enhancement Execution	Compliance
Program				
<i>MSP</i>				
MSP Direct	X	X	X	X
MSP Group	X	X	X	X
<i>MHR</i>				
BC Benefits Overpayments	X	X	X	X
Court Orders	X	X	X	X
<i>BCSAP</i>				
BC Student Loans	X	X	X	X
BC Grant Overawards	X	X	X	X
<i>Immigrant Sponsorships</i>	X	X	X	X
<i>Court Fines</i>	X	X	X	X
<i>Property tax</i>				
Real Property Tax	X	X	X	X
Property Transfer Tax	X	X	X	X
Land Tax Deferment	X	X	X	X
Miscellaneous	X	X	X	X
School Tax	X	X	X	X
<i>Consumer Taxation</i>				
Social Service Tax	X	X	X	X
Hotel Room Tax	X	X	X	X
Municipal Tax Flow Through	X	X	X	X
Motor Fuel Tax	X	X	X	X
International Fuel Tax Agreement	X	X	X	X
Tobacco Tax	X	X	X	X
Asset Payments and Casuals	X	X	X	X
REG/COB and BAM	X	X	X	X
<i>Income and Corporate Taxation</i>				
Corporation Capital Tax	X	X	X	X
Insurance Premium Tax	X	X	X	X
Logging Tax	X	X	X	X
Mineral Land Tax	X	X	X	X
<i>Tax Collections - All</i>				
Post-dated - All	X	X	X	X
Bus Pass (MHR)	X	X	X	X
Ambulance (EHS)	X	X	X	X
<i>Mineral, Oil and Gas Taxation</i>				
Mineral Oil and Gas Tax	X	X	X	X
Oil Royalty	X	X	X	X
Gas Royalty	X	X	X	X
<i>Misc Collection Portfolios</i>	X	X	X	X

8. Appendix B: Frequency/Volume Tables

8.1 Billing and Remittance Processing

8.1.1 Remittance Services Process Flow – General

Set forth below is a summary of the transactions/frequency/volumes for certain Programs as of March 31 2004. Such frequency/volumes, impacts and other similar metrics set forth in this Appendix B are not, and shall not be deemed to be, a representation, warranty, covenant or guarantee by the Province of the frequency/volumes for such Programs now or in the future, but are included here merely by way of illustration and for informational purposes only.

PROGRAM	ANNUAL TRANSACTIONS (ALL PAYMENT TYPES)	ANNUAL REVENUE
MSP – (Direct and Group)	3,277,426	1,348,268,439
Ambulance Fee	163,071	16,668,022
Social Service	968,941	3,915,849,762
Hotel	28,490	115,115,268
Municipal	5,240	15,219,495
International Fuel Tax Agreement	7,279	8,779,435
Tobacco Tax	1,618	622,988,392
Motor Fuel	2,532	1,135,174,226
Asset & Casuals	19,658	27,885,120
Rural Property Tax	308,423	456,568,535
Property Transfer Tax	6,920	9,343,941
Land Tax Deferment	1,338	13,543,364
School Tax	3	31,041
Misc./Search Fee	104	821,441
Corporate Capital Tax	40,251	479,521,101
Insurance Premium Tax	566	224,980,269
Logging Tax	2,609	28,552,130
Mineral Land Tax	5,200	N/A
Bus Pass Fee	64,170	2,913,591
Commercial Loans	600	N/A
BCSAP	55,323	10,354,000
Court Fines	N/A	203,433

PROGRAM	ANNUAL TRANSACTIONS (ALL PAYMENT TYPES)	ANNUAL REVENUE
MHR EIA	98,191	10,367,404
Immigrant Sponsorship	N/A	1,066,432

Frequencies/Impacts

SERVICE	PEAK PERIOD	BUSINESS DRIVERS
MSP – Direct Pay	Last of each month.	All payments are processed before Health Services Production Schedule cut-off dates.
MSP - Group	First week of each month.	All payments are processed before Health Services Production Schedule cut-off dates.
Social Service/Hotel /Municipal Tax	Between the 15th and the 3rd day of the following month.	BRB peak processing periods occur during times associated with processing the SST monthly returns (due the 15th of each month) and running the DLQ on the 8th of the following month.
Social Service/Hotel /Municipal Tax	During the last week of: <ul style="list-style-type: none"> • April • July • October • January 	Additional processing volumes occur for several days at times associated with the processing of Quarterly, Semi-Annual and Annual returns.
IFTA (Carrier)	For the last two weeks of: <ul style="list-style-type: none"> • April • July • September • January 	Carrier returns are due at the end of each quarter.
IFTA (Renewals)	From the end of October through the first week of January.	Annual renewals are due at calendar year end. Renewal processing volumes begin in October and peak during the last three weeks of the year.
IFTA (Transmittals, Jurisdictional and Base)	From the 5th through the 15th of every month.	Jurisdictional returns are due the 15th of each month. Transmittal cut-off is the 20th of the following month.
Motor Fuel Tax (FCO, FNG)	Between the 15th and 30th of every month.	Returns are due the 15th of each month Specific peak periods are determined through prioritization with other BRB processes.
Tobacco Tax (TES/TWS/FNR)	Between the 10th and 30th of every month.	Tobacco returns are due the 10th (First Nations) and the 15th (Wholesale) of each month. Specific peak processing periods are determined through prioritization with other

SERVICE	PEAK PERIOD	BUSINESS DRIVERS
		processes.
Boats/Aircraft/ Manufactured Homes (BAM) and Assets	Between the 15th – 30th of every month <ul style="list-style-type: none"> From April through September 	BRB peak processing periods occur for several days at times associated with SST monthly remittance cycle. BRB peak processing periods also result during the summer purchasing months.
Registration/Close of Business	Between the 15th and 30th of every month.	Specific peak periods will be determined through prioritization with other BRB processes.
Income Tax (CCT)	For the entire month of: <ul style="list-style-type: none"> July 	While Income Tax has annual returns and quarterly instalments, July sees the largest volume of annual returns.
Insurance Premium	During the second half of: <ul style="list-style-type: none"> June September December March 	Peak processing periods occur for several days associated with instalment payments due on the 15th of the 6th, 9th and 12th month of the year with the final payment due March 31 of the following year.
Logging Tax	During the second half of: <ul style="list-style-type: none"> April June October 	Peak processing periods occur for several days associated with payments that can be made at taxation year-end, at end of third month following taxation year-end and six months after taxation year-end.
Property Transfer Tax	For several days throughout the year.	While there is no regular peak period, the “hot” real-estate market results in short peak processing periods throughout the year.
Real Property Tax	For the entire months of: <ul style="list-style-type: none"> June July 	Peak processing volumes occur for several weeks associated with the 400,000 tax notices with a July 2nd due date.
Real Property Tax (Forfeiture)	From mid November through December.	Additional processing volumes occur associated with forfeiture notices with November 30 due dates.
Real Property Tax (Overdue Notices)	From mid September through November.	BRB peak processing periods occur for several weeks associated with September overdue notices and October 31st, 2nd penalty notices.
Bus Pass	Oct-Dec	Peak volumes: 40,000.

8.1.2 MSP – Bill Presentment – Pay Direct and Group

Frequency

FREQUENCY MSP – PAY DIRECT AND GROUP PAY	
BILL TYPE	DESCRIPTION
Pay Direct	The frequency for Pay Direct MSP bills is currently twice per week (Tuesdays and Thursdays).
Group Pay	The print frequency for the Group bills is monthly (approximately dated the 19th through the 23rd).
Initial Bill (Pay Direct Only)	First bill sent to new registrants (weekly)

Volumes

BILL TYPE	VOLUME
Pay Direct	350,000/mo
Group Pay	14,000/mo
Initial Bills	10,000/mo
Returned Mail	11,000/mo

8.2 Collection Services

8.2.1 MSP – Pay Direct

Frequency/volume (as of 31 March 2004)

ACCOUNT	NUMBER OF ACCOUNTS	PORTFOLIO BALANCE	AVERAGE NEW ACCOUNTS	AVERAGE VALUE NEW ACCOUNTS
Pay Direct (CLAS only)	173,317 *	\$208,840,150 *	10,000/mo	\$433.33
Pay Direct – recalls (prior 12-month total)	100,719	\$76,206,074	N/A	\$756.62
Demand Letters	N/A	N/A	10,000-12,000/mo	N/A
Returned Mail	N/A	N/A	2,800/mo	N/A

*These volumes are included in those listed in the Account Management Volume table, Section 8.4

Note: cancelled Pay Direct accounts are not reflected in these volumes, but may be transferred to CLAS in the near future – potential volume impact.

Misc. Frequencies/Impacts

TYPE	DESCRIPTION	FREQUENCY	IMPACT
MHS Revenue Verification (RV)	Verification by MHS of eligibility for Premium Assistance against CRA database	Quarterly	Volume of incoming accounts doubles approx 4 months after run.
MHS Auto-enrol	MHS has developed an automated enrolment process that adds accounts that have not been previously billed premiums	8,000-10,000 new enrolments monthly In June 2005 the remaining 50,000 accounts will leave full premium assistance and start receiving bills	Increases non-revenue generating queries
Demand Letter	Misc. data quality issues including inaccurate addresses and dates of birth	Sent within one month of the account being transferred to CLAS	Approximately 28% of all demand letters sent are returned undeliverable.

8.2.2 MSP – Group Pay

Frequency/volume

ACCOUNT	NUMBER OF ACCOUNTS	PORTFOLIO BALANCE	AVERAGE NEW ACCOUNTS	AVERAGE VALUE NEW ACCOUNTS
Group Pay	(included in Account Management table, Section 5.2)	(included in Account Management table, Section 5.2)	N/A	N/A

8.2.3 Ambulance

Frequency/volume (as of 31 March 2004)

ACCOUNT	NUMBER OF ACCOUNTS	PORTFOLIO BALANCE	AVERAGE NEW ACCOUNTS	AVERAGE VALUE NEW ACCOUNTS
Ambulance Fees	163,071	\$16,668,022	5,500/mo	\$97
Demand Letters	N/A	N/A	5,500/mo	N/A
Returned Mail	N/A	N/A	1,500/mo	N/A

Misc. Frequencies/Impacts

TYPE	DESCRIPTION	FREQUENCY	IMPACT
Demand Letter	Misc. data quality issues including inaccurate addresses, spelling of names, dates of birth	Sent monthly	Increased volumes of returned mail (30%)

8.2.4 MHR – Overpayments of Employment and Assistance

Frequency/volume (as of 31 March 2004)

ACCOUNT	NUMBER OF ACCOUNTS	PORTFOLIO BALANCE	AVERAGE NEW ACCOUNTS	AVERAGE VALUE NEW ACCOUNTS
Overpayments of Employment and Assistance	66,609	\$83,044,938	1,786/mo	\$878
Recalls (prior 12-month total)	11,597	\$14,760,070	N/A	\$1,273

8.2.5 Immigrant Sponsorship

Frequency/volume (as of 31 March 2004)

ACCOUNT	NUMBER OF ACCOUNTS	PORTFOLIO BALANCE	AVERAGE NEW ACCOUNTS	AVERAGE VALUE NEW ACCOUNTS
Enforceable	1,289	\$40,462,808	unknown	unknown
Unenforceable	676	\$47,652,067	unknown	unknown
Combination (portion is enforceable and unenforceable)	1,300	(Included above)	unknown	unknown

8.2.6 Court Fines

Frequency/volume (as of 31 March 2004)

ACCOUNT	NUMBER OF ACCOUNTS	PORTFOLIO BALANCE	AVERAGE NEW ACCOUNTS	AVERAGE VALUE NEW ACCOUNTS
Court Fines	45,533	\$9,928,829	Unknown	N/A

Misc. Frequencies/Impacts

TYPE	DESCRIPTION	FREQUENCY	IMPACT
Demand Letter	Misc. data quality issues including inaccurate addresses, spelling of names, dates of birth	Sent monthly Backlog of 30,000 accounts	Increased volumes of returned mail (approx. 50%)

8.2.7 British Columbia Student Assistance Program

Frequency/volume (as of 31 March 2004)

ACCOUNT	NUMBER OF ACCOUNTS	PORTFOLIO BALANCE	AVERAGE NEW ACCOUNTS	AVERAGE VALUE NEW ACCOUNTS
Guaranteed British Columbia Student Loans (Program 12)	6,642	\$46,156,832	N/A	N/A
BC Student (Risk Premium) Loans (Program 19)	230	\$1,751,886	N/A	N/A
BC Grant Overawards (Program 20)	4,149	\$10,859,484	N/A	N/A
BC Grant Overawards - Joint Provincial/Federal Grants (Program 21)	3,117	\$12,699,303	N/A	N/A
BC Grant Overawards - Federal Grants (Program 22)	1,519	\$2,673,267	N/A	N/A
Canada Millenium Scholarships (Program 23)	826	\$2,207,829	N/A	N/A

ACCOUNT	NUMBER OF ACCOUNTS	PORTFOLIO BALANCE	AVERAGE NEW ACCOUNTS	AVERAGE VALUE NEW ACCOUNTS
Direct Lend Student Loans (Program 26)	3,298	\$12,749,911	N/A	N/A
Total	19,781	\$89,098,512	439/mo	\$2,552

Note: Provincial and Federal Grant funding programs will end as of Aug/Sep 2004; only Canadian Millenium Scholarship program will remain.

Potential volume impact.

TYPE	FREQUENCY
Annual Income Tax Letter	Sent by Feb 15 th of each year for most accounts for which a payment was made during the prior calendar year (judgments excluded).

8.2.8 Miscellaneous Programs

Frequency/Volume

ACCOUNT	NUMBER OF ACCOUNTS	PORTFOLIO BALANCE	AVERAGE NEW ACCOUNTS	AVERAGE VALUE NEW ACCOUNTS
Miscellaneous Programs	(refer to Appendix C)			

8.2.9 Collection Customer Service

Applies to all in-scope collection portfolios at CLMB; average monthly volumes during FY 2003/2004

CHANNEL	VOLUME
Telephone Enquiries (inbound/outbound)	27,000/mo
Email (inbound/outbound)	7,000/mo
Fax (inbound/outbound)	5,000/mo

8.3 Customer Service

Applies to MSP Billing transactions.

Frequency/volume (applies to all MSP Customer Service Transactions) - for FY 2003/2004

CHANNEL	VOLUME
Telephone Enquiries (inbound)	2,500/mo
Email (inbound/outbound)	3,300/mo
IBM Call Centre Tickets (inbound)	500/mo
Fax (inbound/outbound)	95/day
Letter Correspondence (inbound/outbound)	2,900/mo

8.4 Account Management

8.4.1 Account Adjustment

Frequency/volume FY 2003/2004

MSP ADJUSTMENT TYPE (PAY DIRECT AND GROUP) *	AVERAGE MONTHLY TRANSACTIONS	AVERAGE MONTHLY DOLLAR VALUE
Bankruptcy (MSP Pay Direct only)	416	N/A
Account Transfers	475	3,200,000
Refunds	340	227,000
Credit Adjustments	130	1,600,000
Debit Adjustments	52	30,000
Interest Adjustments	12	1,300
NSFs	504	86,200
Care Card Adjustments	62	N/A

* Manual Adjustments Only

COLLECTION ADJUSTMENT TYPE (FROM CLAS) *	AVERAGE MONTHLY TRANSACTIONS	AVERAGE MONTHLY DOLLAR VALUE
NSFs	810	N/A
Interest Adjustments	100	N/A
Credit/Debit and Refunds	400	N/A

* Manual Adjustments

REPORT TYPE (MANUAL REPORTS)	FREQUENCY
Accounts Receivable	Monthly
Revenue	Monthly
Ad Hoc	Ongoing

8.4.2 Account Receivable

Frequency/volume FY 2003/2004

ACCOUNT TYPE (MSP PAY DIRECT AND GROUP ONLY)	ANNUAL TRANSACTIONS (FY 2004)	DOLLAR VALUE OF TRANSACTIONS (FY 2004)
Write-offs (some reflected in adjustments in Section 5.1 above)	1,026	669,000
Extinguishments	72,600	8,995,000
Pre-Authorized Debit Applications	2,000/mo	N/A

Accounts Receivable Portfolio Volumes

ACCOUNT TYPE	NUMBER OF ACCOUNTS (AS OF MAY 2004)	VALUE OF ACCOUNTS (AS OF MAY 2004)
MSP Pay Direct	962,651	283,836,897
MSP Pay Direct Provision		249,775,000
MSP Group	16,446	28,824,777
MSP Group Provision		7,206,000
Pre-Authorized Debit Transactions (per month) – non-MSP	33,577	2,500,000

8.4.3 Account Reconciliation

Frequency/volume

TYPE	FREQUENCY
Portfolio Reconciliation	Monthly
Bank Reconciliation	Daily

9. Appendix C: In-Scope Collection for Miscellaneous Programs

This appendix lists the miscellaneous Programs that are in-scope for the Services under the Master Agreement, to be implemented or otherwise onboarded to the Services in accordance with the terms of the Master Agreement.

PROGRAM	NUMBER OF ACCOUNTS	PORTFOLIO BALANCE
HAA New Homes	4	14,869
HAA Tenant	0	0
HPA First Homes	6	27,428
Conversion Mortgages	0	0
HPA Older Homes	52	297,021
BC Home Program	4	15,070
Student Venture Loans	27	111,399
Home Owner Grant (where there is no property)	1	430
Business Start-up Loans	23	333,083
Prospectors Assistance Grants	1	5,231
Ad Hoc Judgments	3	378,742
Penalty/Costs Assessments	51	1,891,162
Mortgage Assistance Program	11	114,912
Medical Services Premiums - P Accounts – not on CLAS	part of MSP pay direct	part of MSP pay direct
Leasehold Mortgage	18	331,291
Agreement for Sale Mortgage	4	25,633
Senior Citizens Lease	0	0
Co-op Land Lease	0	0
Ad Hoc Mortgages	5	1,075,034
Non-CLAS Programs:		
Salary Overpayments	Unknown	unknown
Attorney General	65	73,498
Sustainable Resources	20	20,785
Management Services	33	25,780

PROGRAM	NUMBER OF ACCOUNTS	PORTFOLIO BALANCE
Risk Management	20	661,302
Contaminated Sites	6	127,051
Hunting Licenses	16	49,624
Medical Practitioners	10	1,063,495
Trade Practices	1	38,466
Waste Management	33	148,920
Totals	414	6,830,226

Data as of 31 March 2004

10. Appendix D: In-Scope Collection Program Attributes and Business/Operational Impacts

10.1 Medical Services Plan (MSP) – Pay Direct Premiums

10.1.1 Attributes

- Ministry of Health Services (MHS) enrolls subscribers on the MHS Registration and Premium Billing system and administers the Premium Assistance program.
- MPR administers the Temporary Premium Assistance program.
- No Interest on overdue premiums and not reported to credit bureaus.
- Subscribers and beneficiaries are jointly and severally liable for MSP debt.
- Legal action not usually taken through courts given the small dollar value of most accounts.
- Government Authorized Collection Actions can be used except compromise settlements.
- Debt does not survive bankruptcy (note: premiums accrued after the bankruptcy assignment are not part of the bankruptcy and are payable).
- Premiums prescribe after six years with no acknowledgement.
- Accounts are assigned electronically to private collection agencies based on specific criteria.

10.1.2 Business/Operational Impacts

	DESCRIPTION	FREQUENCY	IMPACT RESULT
Cancelled Accounts	Premiums accrued prior to customer transferring to a group or spousal plan or moving out of province. Upon cancellation, a letter advising of the final Pay Direct amount is sent and no further bills are issued. Accounts are not currently on CLAS and are aging and prescribing.	Unknown monthly volume – not available Feb 2004: balances not available	Complaints and appeals due to long period of no contact

	DESCRIPTION	FREQUENCY	IMPACT RESULT
MHS Revenue Verification (RV) and Automated Payment Plan	RV process may result in accounts being returned to the billing process at full rate if subscriber had not filed CRA return for two years. RPB system sets an automated payment plan. No address verification is done prior to billing.	Quarterly	Increased volume of accounts transferred to collection 4 months after the verification. Collection resources time spend resolving enrolment issues. Increase in trace resources required.
MHS Auto enroll	MHS's automated enrolment process bills accounts that have not previously been billed. Examples are: orphaned beneficiaries; cancelled accounts. No address verification prior to billing.	Monthly: 8,000-10,000 new enrolments with backlog.	Increased volume of non-revenue generating calls.
MHS processing delays for CLMB accounts	CLMB refers customers to MHS for program related issues and adjustments. Collection work is suspended until the enrolment issue is resolved and account recalled to program.	Typically CLMB has 10,000-12,000 accounts coded for MHS review which have not been adjusted recalled.	Delays in processing require collector to review account and contact debtor a second time resulting in revenue delays.
Data Quality issues	Data quality issues include inaccurate addresses, phone numbers and DOB.	Approximately 28% return mail on demand letters.	Trace and collection resources impacted. Receivables are overstated.
CRA peak season	The CRA setoff program generates an annual letter during December and January each year and results in significant contact. Some accounts may be in an MHS processing backlog. CRA offset funds may be applied prior to adjustment processing.	Annual CRA Letters issued Dec and Jan each year. Increased contact from Jan-May.	Increased call volumes, referrals back to MHS and refund requests.
MHS Resources, Systems and Telephony	MHS resources are limited, especially during vacation periods, and are focused on MHS core business (enrolment and PA). MHS systems and	Peak vacation periods include July/ August & December.	MPR's direct line with MHS is often compromised and MPR collectors are unable to transfer callers to MHS.

	DESCRIPTION	FREQUENCY	IMPACT RESULT
	telephone technology are legacy.		

10.2 MSP – Group Billing

10.2.1 Attributes

- **MHS administers group billing plans for employers, unions and pension plans.**
- **Group accounts are billed by MPR on the RPB system but are not transferred to CLAS after 90 days (all collection actions are manual based on reports generated from the RPB system).**
- **Interest is charged on some group accounts.**
- **Accounts not reported to credit bureaus.**
- **Overdue accounts range from \$200 through to tens of thousands of dollars.**
- **Legal action not taken through courts at this time.**
- **Government Authorized Collection Actions can be used, except for compromise settlements and CRA as only individuals can be registered with CRA.**
- **Individuals within a group cannot be pursued for Group debt amount**
- **Debt does not survive bankruptcy.**
- **Accounts prescribe after six years with no acknowledgement.**
- **Accounts are not assigned to private collection agencies at this time.**

10.2.2 Business/Operational Impacts

DESCRIPTION	IMPACT
Accounts not transferred to CLAS after 90 days.	Manual collection process (including payment tracking).
Accounts may be cancelled for non-payment.	Large numbers of employees may be impacted.
MHS backlogs.	Delayed account adjustments result in incorrect balances and coverage.
MHS does not always confirm legal entity when registering group.	Legal entity for collection purposes can't be determined.

10.3 Ambulance Services

10.3.1 Attributes

- **Ministry of Health Services (MHS) charges a fee for ambulance rides and flights (Emergency Health Services Act).**
- **MoH sends three bills from the legacy ABIS computer system.**
- **Accounts are high volume, low dollar.**
- **Multiple accounts for same person; debt not rolled up.**
- **No interest charged and not reported to credit bureaus.**
- **Accounts over 90 days are electronically transferred to CLAS for collection.**
- **Legal action not taken through courts (low balance accounts).**
- **Government Authorized Collection Actions can be used except for compromise settlements (CRA is manual due to system limitations with respect to debtor matching).**
- **Accounts are electronically assigned to private collection agencies based on specific criteria.**
- **Debt does not survive bankruptcy.**
- **Accounts prescribe after six years with no acknowledgement.**
- **MHS has an appeal process.**

10.3.2 Business/Operational Impacts

DESCRIPTION	IMPACT
Data quality issues, legacy ABIS system and delays in establishing and billing the debt.	High volumes of return mail, incorrect bills and inability to debtor match.

10.4 Ministry of Human Resources (MHR) Employment and Assistance

10.4.1 Attributes

- Comprised of repayable benefits from hardship grants, security deposits, overpayment of benefits, fraudulently obtained benefits, co-op housing shares. Overpayments may be administrative errors or failure to declare assets/status by recipient
- Debt types are rolled up by debtor (when transferred to CLAS).
- No interest charged and not reported to credit bureaus.
- Legal action not usually taken through courts (low dollar accounts - not cost effective).
- Debt does not survive bankruptcy.
- Government Authorized Collection Actions can be used.
- Accounts prescribe after six years with no acknowledgement.
- Accounts are assigned electronically to private collection agencies based on specific criteria.

10.4.2 Business/Operational Impacts

DESCRIPTION	IMPACT
Accounts coded "debt claimed" by MHR have no signed repayment agreement and must be referred back to MHR for debt validation.	Incorrect account balances, collection delays and revenue impacts.
Accounts with Health and Safety flags have been held back by MHR.	Revenue.
Processing of adjustments not timely.	Requires monitoring by collectors.
Residential Tenancy requirements re; security deposits.	Requires individual account review to assess collectibility.
Multiple account roll-up.	Debt types on one account have different prescription dates.

10.5 MHR Court Ordered Restitution

10.5.1 Attributes

- **Large balance accounts with court ordered judgments where benefits were obtained fraudulently.**
- **Collection tools can include legal enforcements (i.e., seizure and sale, registration of judgment on property, payment hearings).**
- **Interest is charged at the judgment rate.**
- **Not reported to the credit bureaus.**
- **Debt does not survive bankruptcy.**
- **Government Authorized Collection Actions can be used.**
- **Accounts prescribe after ten years with no acknowledgement.**
- **Accounts are not assigned to private collection agencies.**

10.5.2 Business/Operational Impacts

N/A

10.6 MHR Immigrant Sponsorship

10.6.1 Attributes

Canadian Citizens may sponsor new immigrants to Canada. Under Federal legislation, the Sponsor is liable for the support of the Sponsoree for a designated period (up to 10 years) – the “Undertaking”. Under IRPA since June 2002, undertaking is for 3 years. If the Sponsoree requires social assistance, such as BC Employment and Assistance, the Sponsor is liable for the debt that occurs during the designated period. For each Undertaking there may be one or more people sponsoring one or more Sponsorees and their dependents. MHR is responsible for establishing the relationships and communicating this to MPR.

MPR started collecting this portfolio in November 2003. Enforceable letters were issues in November. In May 2004, combination letters were sent and unenforceable only letters July 2004.

10.6.2 Business/Operational Impacts

ISSUE	DESCRIPTION	IMPACT
Debt Types	<p>There are 2 IMMSPON debt types.</p> <p>enforceable – legally collectible – amount shown in Public Accounts.</p> <p>unenforceable – not legally collectible – not a receivable and not in the Public Accounts.</p>	<p>Pro-active collection activity can only proceed on enforceable amounts.</p> <p>MPR has agreed to send a letter to debtors advising them of their unenforceable portions and accept payments of these amounts. Only one letter is sent.</p> <p>Individuals wishing to sponsor new immigrants to Canada are required by the Federal Government to repay all amounts.</p> <p>Minister’s office to be advised of mailings in advance.</p>
Account Management	<p>Calculation of enforceable and unenforceable debt types is complex because only enforceable debt is recorded in the public accounts and interest can only be charged on enforceable amounts.</p> <p>Updates to IMMSPON information. (MHR function) results in change allocations between enforceable and unenforceable and changes to the relationships between Sponsors and Sponsorees.</p>	<p>Complex programming requirements.</p> <p>Activities span the revenue management stream (i.e. from first bill).</p> <p>Interest accrues on enforceable only amounts.</p> <p>Accruing amounts (Sponsorees continue to receive benefits which the Sponsor must pay).</p> <p>Reporting to Public Accounts and Program Ministry requirements.</p> <p>Accounts that are statute-barred in BC may be transferred to unenforceable.</p> <p>There are recent court developments which may lead to BC Limitation Act</p>

ISSUE	DESCRIPTION	IMPACT
		<p>applying to federal debt in BC. MPR has sub-ledger.</p> <p>Deferral of collection activities if the Sponsor is on active Social Assistance.</p>
Double Dip	<p>Prior to the identification of the IMMSPON relationship, MHR may have transferred an Employment & Assistance Debt under the name of the Sponsoree. This debt may be included in the calculation of the IMMSPON debt and can't be collected twice. Currently, there is only limited ability by MHR to identify and advise of these situations. The amounts will not equal as the IMMSPON debt is the total benefits received where the "24" account is either the repayable benefit or an overpayment.</p>	<p>Overstated accounts receivable balance.</p> <p>Overpayment resulting in refunds.</p>
Language Barriers	<p>Corresponding with Sponsors with limited English skills presents challenges.</p>	<p>Increased requirements for letters of consent to correspond/ disclose information to a third party.</p>
Escalated Collection Activities	<p>Escalated collection activities such as use of government administrated collection tools, etc. have not been authorized for this portfolio as of June 2004, except for S204 under LTO.</p>	<p>Authorization of tools will be required IMMSPON debtors frequently use political routes e.g. MLA, Minister, or administrative processes e.g. Ombudsman and Privacy Commissioner (access under FOIPPA requests).</p>
Issues	<p>As the IMMSPON portfolio is a new collection portfolio issues may arise that will require MPR involvement.</p>	<p>Joint issue resolution.</p> <p>Health and safety flagged accounts are not being collected as per Program Ministry policy.</p> <p>Federal/provincial cooperation required because new legislation names both levels of government.</p>

10.7 Ministry of Attorney General Court Fines

10.7.1 Attributes

- **Court imposed fines under Criminal Code of Canada and other provincial statutes.**
- **Multiple accounts for one debtor not rolled up.**
- **104 court locations in BC.**
- **No interest charged and not reported to credit bureaus.**
- **Accounts prescribe after six years with no acknowledgement.**
- **MPR can apply for default judgment and extend prescription for ten years.**
- **Accounts survive bankruptcy.**
- **Government Authorized Collection actions can be used, except for compromise settlements.**
- **These debts are not assigned to private collection agencies at this time.**

10.7.2 Business/Operational Impacts

DESCRIPTION	IMPACT
Poor data quality.	High volumes of return mail, low contact rate and inability to debtor match.
Large backlogs of accounts at program ministry and CLMB due to lack of resources.	Impacts revenue.

10.8 Ministry of Advanced Education British Columbia Student Assistance Program

10.8.1 Guaranteed Program – Attributes

- Inactive program; negotiated prior to August 1, 1995 and guaranteed by province.
- Interest is charged.
- Legal action may be taken.
- Reported to credit bureaus.
- Co-signors/minors.
- Debt prescribes after six years with no acknowledgement.
- Legal action taken through courts extends prescription by ten years.
- Government Authorized Collection Actions used.
- Debtor denied further loan funding until account paid in full.
- Survives bankruptcy if debtor has been out of school less than ten years.
- Accounts are assigned to PCAs based on specific criteria.

10.8.2 Risk Share Program – Attributes

- Negotiated by banks between August 1, 1995 and July 31, 2000.
- Banks administer loans unless debtor goes bankrupt or is deceased; file then sent to CMLB to collect or extinguish.
- CLMB can only collect after bankruptcy trustee is discharged.
- Interest is charged.
- Reported to credit bureaus.
- Legal action taken through courts extends prescription by ten years.
- Co-signors/minors.
- Government Authorized Collection Actions used.
- Debtor denied further loan funding until account paid in full.
- Debt prescribes after six years.
- Accounts are assigned to private collection agencies based on specific criteria.

10.8.3 Direct Lend Program – Attributes

- Negotiated after August 1, 2000 by province through BCSL service bureau (BDP).
- BDP collects until account is over 150 days in arrears; file then sent to CLMB to collect.
- Interest is charged.
- Co-signors/minors.

- Debt prescribes after six years.
- Legal action taken through courts extends prescription by ten years.
- Government Authorized Collection Actions used.
- Accounts not currently reported to credit bureaus (reporting is mandatory) – enhancement to enable reporting is close to completion
- Debtor denied further loan funding until account paid in full.
- Survives bankruptcy if debtor has been out of school less than ten years.
- Accounts are assigned to private collection agencies based on specific criteria.

10.8.4 Grant Overawards – Attributes

- Accounts fall into a number of categories, including federal and provincial scholarship programs.
- Account created as a result of re-assessment or audit.
- Debtor denied further loan funding until account paid in full.
- Interest is charged.
- High levels of activity in August, September, December and January.
- Effective August 2004, no further provincial grants; only Millennium scholarships.
- Accounts not reported to credit bureaus.
- Accounts generally survive bankruptcy (assignments made before Sept 30/97 do not survive and assignments made between September 30/97 & June 18/98 are using the 2 yr rule & assignments made after June 19/98 are the 10 year rule).
- Accounts prescribe after six years.
- Legal action can be taken through the courts extending prescription period by ten years.
- Government Authorized Collection Actions can be used.
- Collectors need to be familiar with a number of Advanced Education processes and financial relief programs.
- Accounts are assigned to private collection agencies based on specific criteria.

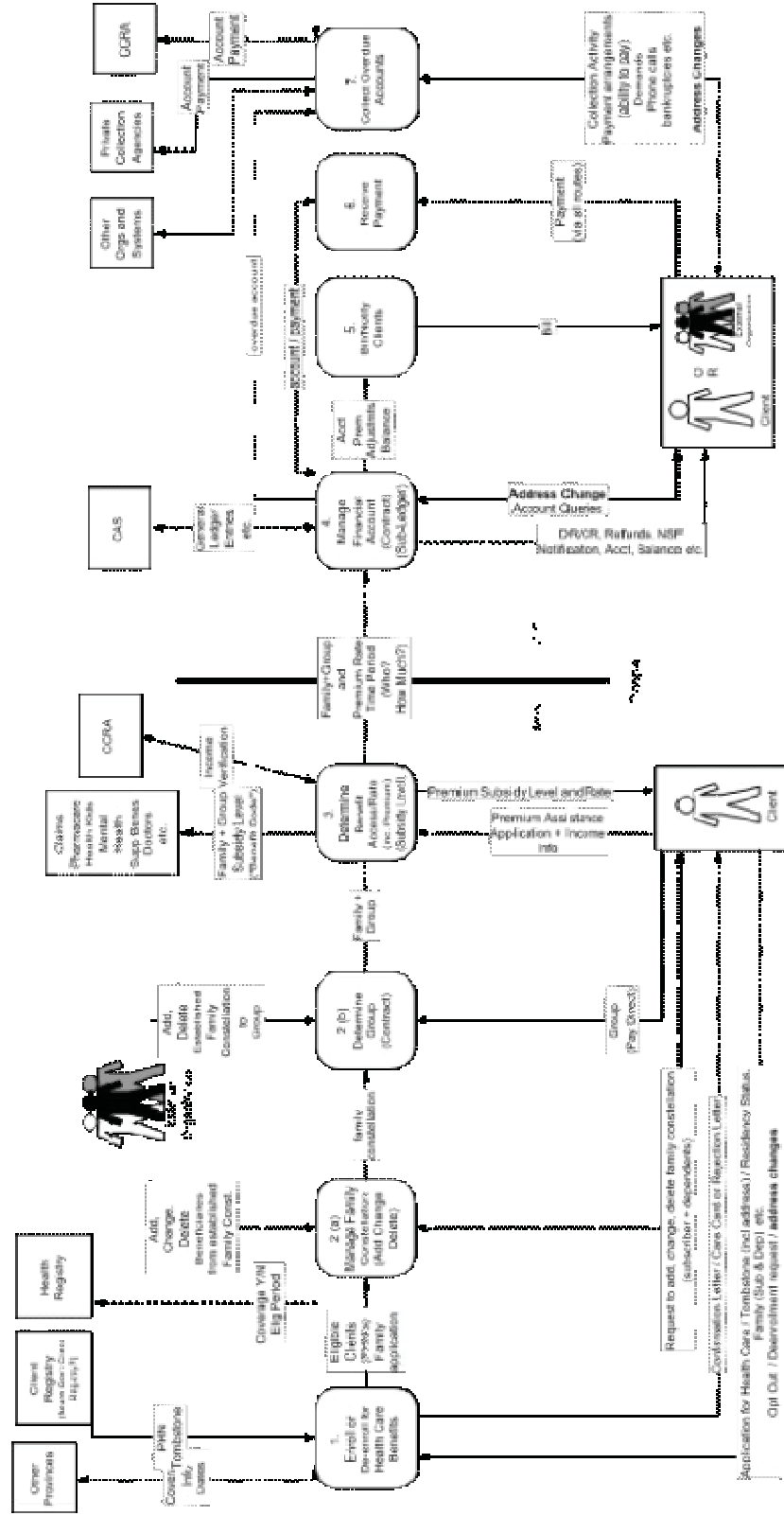
10.8.5 Business/Operational Impacts

DESCRIPTION	IMPACT
Direct Lend defaults not reported to credit bureaus.	Creates an inequity and makes the accounts more difficult to collect.
Increasing Direct Lend defaults.	Resourcing issue.
Students usually receive both federal and provincial funding under one or more programs.	Confusion about debt requiring collector program knowledge to explain.

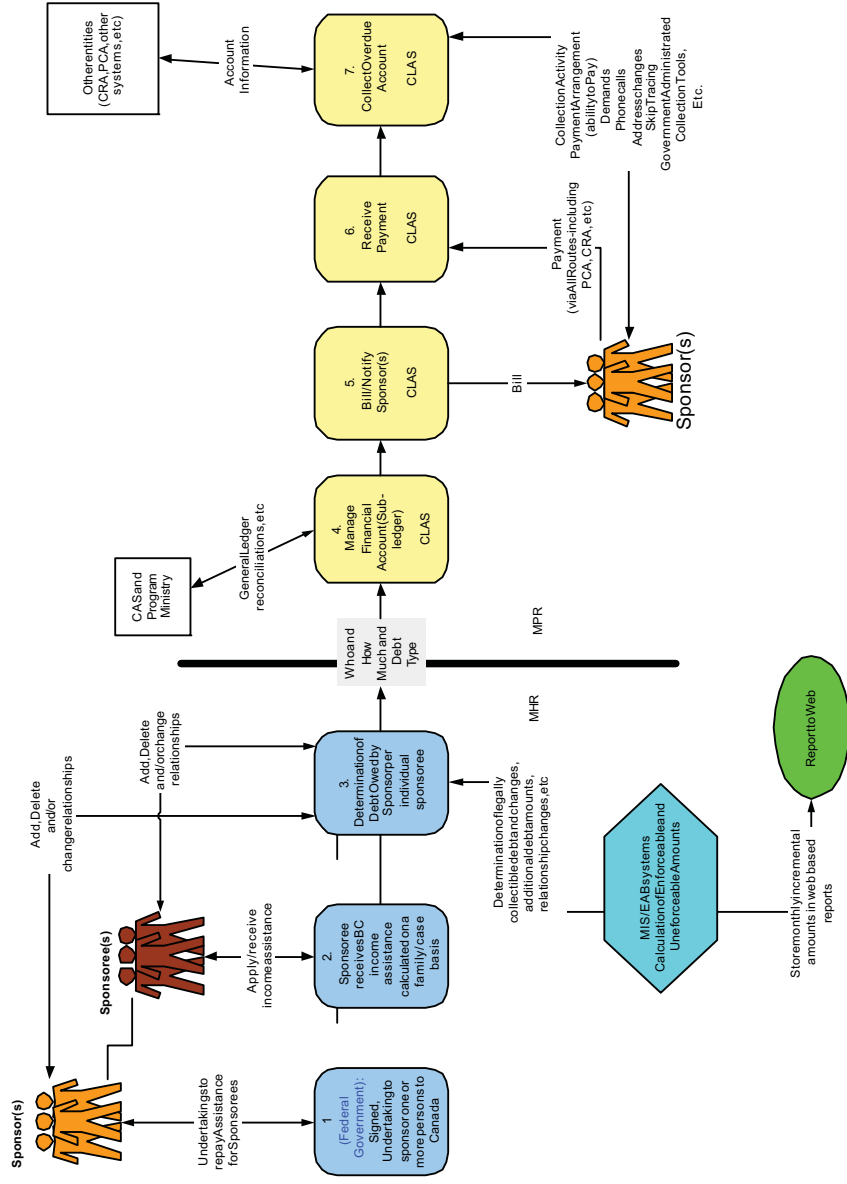
11. Appendix E: Existing Process Flows

This Appendix contains illustrations of the existing process flows for Programs collected by CLMB

.MSP



11.1 Immigrant Sponsorship



12. Appendix F: EDS Definitions

Bill Presentment/Information Delivery Services

Bill Presentment is the presentation of information about a financial obligation, including the owners of the obligation, the amount of the obligation, the transaction that created the obligation and when the obligation was initiated.

File Receipt is the function of accepting input files through defined routes and encompasses the originating point of the file, the method by which the file is sent, and the format of the print file.

Post Processing is the management of mail insertion. The insertion can be completed either mechanically or manually and the package components can vary across different applications.

Print Processing is defined as the arrangement of a print file in order to improve processing method or add functionality.

Printing is the function of imaging file contents on to pre-printed, client-specified forms.

Remittance Processing

APA (Acceptance of Payments of Accounts) Payments are remittances made through a financial institution, either over-the-counter or through an Automated Teller Machine (ATM).

Coupon is another term for Stub.

CAR (Courtesy Amount Recognition) is machine reading of the amount written or printed in figures on a cheque.

Checkdigit is a calculated number, inserted into a scanline to ensure accuracy. Calculation is performed when the line is printed, and again when it is read. If the checkdigits do not agree, then the information is incorrect.

Encoding is the process of printing MICR information on a cheque.

Endorsing is the stamping or printing deposit account information on the back of a cheque.

ICR (Intelligent Character Recognition) is machine reading of handwriting or print, interpreted from an image scan.

LAR (Legal Amount Recognition) is machine reading of the amount written or printed in words on a cheque.

MICR (Magnetic Ink Character Recognition) is machine reading of a special print in magnetic ink, using a magnetic head.

OCR (Optical Character Recognition) is machine reading of print in a readable font, using an optical read head. This is the most common type of recognition used in remittance processing.

Payments, Cheque and List are composed of one cheque with a cheque stub or separate list detailing accounts to be credited with corresponding amounts.

Payments, Cheque Only are composed of one cheque, with no coupon or stub, and no list of accounts to be credited

Payments, Multiples are composed of one or more cheques and/or one or more coupons/stubs.

Payments, Singles are composed of one cheque and one coupon/stub.

Remittance is a payment, usually in the form of an invoice stub and a cheque.

Return Effective Date (also known as Received Date) is the date which a return or payment is posted in the revenue system, and when compared to the due date, determines if a payment is on time or late.

Scanline is a group of characters in a single line, printed in an OCR readable font, and usually containing one or more check digits.

Stub is the tear-off portion of an invoice or statement, which is returned with the cheque.

“MSP” means Medical Services Premium Plan

“Bill Presentment” means composition, printing and delivery of bills and statements. Printing of bills includes multiple types of print stream routing (paper, EFT and e-presentment). Delivery includes inserts (ad hoc basis), and delivery to client (including e-deliver).

“REMITTANCE” means receipt of payment (i.e. cheques) and other documentation.

“REMITTANCE PROCESSING” means processing of payments received through multiple channels.

“Bill Type” means the reason a bill is sent and is translated into a specific bill code. Example: Regular Bills = (Bill Code 1) - produced and sent the month before premiums are due.

“Pay Direct” means the account holder pays us directly. The group # used for direct is 0000001 (01) Company or group plans (non-01 Accounts) receive a bill for all contract holders listed under that group or business

“Group Pay” means a company or group plan (non-01 accounts) receive a bill for all contract holders listed under that group or business

“Payment Types” means the method in which a payment is received in our office – i.e. cheque, APA etc.

“Physical Payment Type” means receipt of payment in our office via a lockbox, courier, general mail etc.

“Electronic Payment Type” means receipt of the electronic payments across multiple channels payment i.e. via a financial institution

“Cheque” means payment method requiring deposit at a financial institution, and includes money orders and bank drafts. Cheques can also be post dated – not available to cash until future dates.

“PC/Telephone Banking” means payment of premiums by telephone or internet through financial institutions.

“Government Agent” means an agency providing a location in each community in British Columbia, where members of the public can go to obtain provincial services, information and make payments to the provincial government.

“Electronic Funds Transfer (EFT)” Transfer of funds from a client through financial institutions to the Provincial Treasury. The Provincial Treasury then produces an electron journal voucher to ensure the appropriate ministry general ledger account is credited.

“Pre Authorised Debits (PAD)” means a pre-authorized, automated, debit withdrawal from a client’s bank account.

“Journal Voucher”- A voucher is used to transfer funds from one general ledger account to another. Journal vouchers can be used intra or inter ministry.

“White Mail”, also referred to as “General Correspondence” means all documentation accompanying payments and all incoming mail received in a lockbox including forms, applications and letters from clients.

“Return Effective Date (also known as the Received Date)” means

“Administrative Records” means records that support housekeeping functions such as the management of facilities, property, material, finances, personnel, and information systems. Administrative Records also relate to common management processes including committees, agreements, contracts, information services,

legal opinions, and other similar functions. (Source: Administration Records Classification System publication, published 6/16/1993).

“Operational Records” relate to the operations and services provided by a ministry or agency in carrying out the functions for which it is responsible according to statute, mandate, or policy. Operational records relate to such agencies as Queen’s Printer, Purchasing Commission, Office of the Comptroller General, or Government Personnel Division. (Source: Administration Records Classification System publication, published 6/16/1993).

“Third Party Administrators” also “Group” means a person or a company who administers an account on behalf of others. Examples of a Group include employers covering employees, and also a Health Care Provider.

“MHS/R&PB system” Registration and Premium Billing System used by the Ministry of Health Services to administer the MSP premiums.

Other Definitions

MPR: Ministry of Provincial Revenue

EDS: EDS Advanced Solutions, Inc.

A/R: Accounts Receivable

PCA: Private Collection Agency

CLAS: Collection and Loan Administration System

SOW: Statement of Work

BRB: Billing and Receivables Branch

MSP: Medical Services Premium

MHR: Ministry of Human Resources

RMS: Revenue Management System

SWAT: Special Weapons and Tactics Team. For purposes of this SOW, refers to groups of collectors and staff who will be assigned to work specific groups of accounts or backlogs.

ARMS: Accounts Receivable Management System

RFP: Request for Proposal

RFI: Request for Information

MOU: Memorandum of Understanding.

QA: Quality Assurance. A review of segments of work performed, both from a top down and individual account level basis (for a sample of accounts only).

KPI: Key Performance Indicator

External Resources: Supplemental or Temporary Resources, Contractors. Not permanent employees of EDS or the government. Staffed on an interim basis through contracts with temporary or employment agencies.

Internal Resources: Resources employed by EDS or government

Straw-man: Template showing proposed formats

PCA Section:

FCA: NCO Financial

TCR: Total Credit Recovery

Breakdown Letter: A detail MSP bill

MHR, Court Fines Section:

MSDES, MHR, MSS, MSSH: Terms are synonymous

Unenforceable: Legally uncollectible debt

Open Debt: Account whereby debtor is actively receiving social assistance (Employment and Assistance Benefits), Not collectible

Closed Debt: Account whereby debtor is no longer receiving Employment and Assistance Benefits, Collectible

FAW: Financial Aid Worker, front-line Program worker

BF (Bring Forward): Queue and account for future action, reconciliation

MSP Section:

Collection: begins with recognition of A/R through B&R and Collection

Pay Direct, Self Pay, Individual: All synonymous and refer to Individual vs. Group accounts

Dunning: Letters to debtors re: outstanding A/R


CLAS, LAS, CLASS: All synonymous

Acknowledged this 26th day of November, 2004.

HER MAJESTY THE QUEEN in right of
THE PROVINCE OF BRITISH COLUMBIA as represented
by the **MINISTER OF PROVINCIAL REVENUE**

By: 
Greg Reimer, Deputy Minister

EDS ADVANCED SOLUTIONS INC.

By: 
Al Hurd, President