

Becky Stack

From: Becky Stack
Sent: Tuesday, May 24, 2022 10:44 AM
To: Kristofer Carlson; Allen Sharrett; Jackie Carney; Mike Edde; Wendy Dutenhoeffer; Karl Shaw; City of Bremerton (judie.carlson@ci.bremerton.wa.us); City of Port Orchard (finance@cityofportorchard.us); City of Poulsbo (jjennings@cityofpoulsbo.com); Port of Bremerton #1 (Jeremiahw@portofbremerton.org); Port of Brownsville #2 (joe@portofbrownsville.net); Dave Roberts (nklaw1@gmail.com); Susan Henry; Port of Kingston (controller@portofkingston.org); Port of Manchester #10 (doconnell@manchesterwater.org); portofsilverdale; Sheri McNeal - Port of Waterman (smcneal@portofwaterman.com); Tim Maule; Bainbridge Island Fire District #2 (finance-personnel@bifd.org); Shamburger, Angela; Katie Patti; Luther, Wendy; North Mason Regional Fire Authority (AMcCormick@northmasonrfa.com); PUD #1 of Kitsap County (finance@kpud.org); Amy Swenson; Bobbie Moore; Dan Baer
Cc: Susanne Yost; Mia Alexander; David Schureman; Peter Boissonneau; Meredith Green
Subject: DOR Refund for Feb'19-May'21 Admin Costs
Attachments: DOR refund for Admin Costs 2022-05.pdf; DOR letter and emails re DOR refund for Admin Costs.pdf; Timber tax distribution 5-31-2022.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Good morning,

The Department of Revenue has billed the Kitsap County Treasurer for their Feb'2019-May'2021 costs for administering the Forest taxes (Timber tax). They normally deduct their costs before they distribute the tax to us but because of a computer glitch it was not deducted. This is a one-time thing. I'll be withdrawing money from the attached list of funds on 5/27/22 to pay DOR...my journal entry is attached.

We're receiving funds this month from DOR for the 2nd quarter Timber tax so also attached is the revenue distribution by fund for the 31st that should help with your fund cash balances.

Please let me know if you have any questions.

Becky Stack

Financial Analyst

Office of Kitsap County Treasurer

Phone: 360-337-4941

Email: bstack@kitsap.gov (please note format change from @co.kitsap.wa.us)



STATE OF WASHINGTON
DEPARTMENT OF REVENUE

June 30, 2021

Dear County Treasurer,

We highly value our partnership with the counties to administer forest taxes. In 2018, DOR launched a new tax and licensing system. Among other functions, Revenue uses this system to help collect forest tax revenue on behalf of 35 counties and distribute each counties' share of the forest tax revenue back to them.

Due to a technical issue within that new system, DOR's costs for administering the taxes have not been deducted from your county quarterly distributions since November 2018. The counties' share of those administrative costs so far has been covered by forest tax revenue collected for the state. This issue has resulted in the counties receiving additional forest tax revenue over the past several years.

Under Washington state law DOR is required to collect those costs. It is now DOR's responsibility to work with you to recoup those administration costs. We are reaching out to each of the 35 affected counties to determine the following:

- A plan that works to lessen the impact of this issue while fully recouping the over-distributed amount.
- Giving options to pay now, reduce your August 2021 revenue distribution or make regular payments to the state.
- The ability to repay the over-distributed amount for up to three years with no interest.

DOR is in the process of configuring its tax and licensing system to ensure the county administrative costs are deducted before distribution in time for the August 2021 distributions.

Please contact me by July 30, 2021 to discuss your repayment option.

Mark Longrie
Forest Tax Field Operations Manager
(253) 382-2017

Becky Stack

To: Becky Stack
Subject: FW: County Distribution - Admin Fees by Quarter

From: Becky Stack <BStack@kitsap.gov>
Sent: Tuesday, May 17, 2022 2:14 PM
To: Smith, Carmel (DOR) <CarmelS@DOR.WA.GOV>; Longrie, Mark (DOR) <MarkLo@DOR.WA.GOV>
Cc: Vickie Fick <Vfick@kitsap.gov>; Peter Boissonneau <PBoissonneau@kitsap.gov>; Meredith Green <mgreen@kitsap.gov>
Subject: FW: County Distribution - Admin Fees by Quarter

External Email

Good afternoon Carmel,
I left you a voicemail message but thought I'd follow up with this email. Thank you for the extension...we're ready to pay DOR \$67,905.60 for the Forest Tax Admin fees but we're not sure how you prefer to be paid. If you want a warrant then can I get your mailing address and if you prefer EFT then I need your banking information.

Thank you for your help! Please call me if you have any questions.

Becky Stack
Financial Analyst
Office of Kitsap County Treasurer
Phone: 360-337-4941
Email: bstack@kitsap.gov (please note format change from @co.kitsap.wa.us)

From: Meredith Green <mgreen@co.kitsap.wa.us>
Sent: Thursday, July 15, 2021 11:19 AM
To: Becky Stack <BStack@co.kitsap.wa.us>
Cc: Vickie Fick <Vfick@co.kitsap.wa.us>; Amber D'Amato <adamato@co.kitsap.wa.us>; Phil Cook <philcook@co.kitsap.wa.us>
Subject: Fw: County Distribution - Admin Fees by Quarter

The DOR made an error when they launched their new system in 2018, and they neglected to deduct the administrative fee from their distribution. In Kitsap's case, it is an over-distribution of \$68,000. We have up to three years to repay this amount, and they'd like to know our plan by July 30.

Unless someone objects, I plan to tell the DOR that we'll repay it when we have the workload capacity after the Workday launch. We can then figure out the simplest way to correctly distribute it.

Meredith R. Green, CPA
Treasurer
Kitsap County
614 Division, MS-32
Port Orchard, WA 98366
Phone: 360-337-7136
Email: mgreen@co.kitsap.wa.us

From: Meredith Green <mgreen@co.kitsap.wa.us>
Sent: Thursday, July 15, 2021 11:11 AM
To: Pacific County Shelly Flementis (<sflemetis@co.pacific.wa.us> <sflemetis@co.pacific.wa.us>; Alishia Topper <alishia.topper@clark.wa.gov>; Amy Cziske <amy.cziske@co.kittitas.wa.us>; Arny Davis <arny.davis@lewiscountywa.gov>; Basile, Carol <Carol.Basile@kingcounty.gov>; Brian Sullivan <brian.sullivan@snoco.org>; Carla Rowe <Carla_Rowe@co.columbia.wa.us>; Chris Nelson <chris.nelson@co.whitman.wa.us>; Vickie Clelland <clelland@co.skamania.wa.us>; David Griffiths <david.griffiths@co.chelan.wa.us>; Darryl Pheasant <dpheasant@grantcountywa.gov>; Debra Gardner <gardnerd@co.cowlitz.wa.us>; Gordon Heimbigner <gheimbigner@co.walla-walla.wa.us>; Greg Gallagher <gregg@klickitatcounty.org>; Holly Schiffer <hschiffer@co.asotin.wa.us>; Ilene Thomson <ilene.thomson@co.yakima.wa.us>; Jackie Brunson <jbrunson@co.skagit.wa.us>; Jeff Gadman <jeff.gadman@co.thurston.wa.us>; Jody Howard <jhoward@co.lincoln.wa.us>; Josie Koelzer <jkoelzer@co.franklin.wa.us>; Ken Albert <kalbert@co.grays-harbor.wa.us>; Kayla Meise <kaylam@co.adams.wa.us>; Kenneth Spencer <ken.spencer@co.benton.wa.us>; Lisa Frazier <emf@masoncountywa.gov>; Leah McCormack <lmccormack@co.okanogan.wa.us>; Leslie Valz <lvalz@co.stevens.wa.us>; Michael Baumgartner <mbaumgartner@spokanecounty.org>; Mike Lonergan <mtonerg@co.pierce.wa.us>; Nicole Dice <ndice@pendoreille.org>; Natalie Marx <nmarx@co.douglas.wa.us>; Renee Goodin <rgoodin@co.pacific.wa.us>; Rhonda Pederson <rhondap@sanjuanico.com>; Steve Oliver <soliver@co.whatcom.wa.us>; Stacie Prada <sprada@co.jefferson.wa.us>; Tammy Peterson <petersont@co.wahkiakum.wa.us>; Teresa Marchi <TMarchi@co.clallam.wa.us>; Shannon Jensen <treasurer@co.ferry.wa.us>; Tereasa Summers <tsummers@co.garfield.wa.us>; Wanda Grone <w.grone@islandcountywa.gov>
Cc: MarkLo@DOR.WA.GOV <MarkLo@DOR.WA.GOV>; Carmels@dor.wa.gov <Carmels@dor.wa.gov>
Subject: Fw: County Distribution - Admin Fees by Quarter

Dear Treasurers (with a copy to Mark Longrie of the DOR),

The attached spreadsheet shows the DOR Administrative fee by quarter. Also attached is the letter emailed/mailed to the County Treasurers last week, which I understand some of us didn't receive.

Since Kitsap is two weeks away from our Workday financial system launch, I will likely delay our small repayment until we've completed our implementation and have the bandwidth to figure out the correction. I encourage you to consider your county and districts' capacity to absorb the repayment, along with the workload the correction will take. I'm sure that we'll also have an opportunity to discuss some ideas when we're together next week (finally!) for our legislative conference.

Mark would appreciate you contacting him by July 30 to indicate your repayment preferences for the options outlined in this letter.

Regards,
Meredith

Meredith R. Green, CPA
Treasurer
Kitsap County
614 Division, MS-32
Port Orchard, WA 98366
Phone: 360-337-7136
Email: mgreen@co.kitsap.wa.us

From: Smith, Carmel (DOR) <CarmelS@DOR.WA.GOV>
Sent: Thursday, July 15, 2021 10:51 AM
To: Meredith Green <mgreen@co.kitsap.wa.us>
Cc: Longrie, Mark (DOR) <MarkLo@DOR.WA.GOV>
Subject: County Distribution - Admin Fees by Quarter

Meredith,

I am attaching the county distribution break out by quarter and appreciate your sharing this with each county. There are several tabs on the attached excel workbook: the first tab is the administrative costs by quarter, the second tab is the distributions by quarter, the third tab is the Departments expenditures and the last is a summary.

I appreciate you sharing this document with all of the counties. I know several counties had reached out and asked for the detail by quarter to better match the individual quarterly distributions. With the counties wanting this breakout by quarter the administrative fee was re-evaluated and some counties may see slight changes from what they were originally communicated. The original calculation that was provided was based on the Departments' July 1 Fiscal Year. When the administrative fee is broken out by quarter the counties portion of the administrative fees change.

Please do not hesitate to reach out or have any of the counties reach out to myself, Mark Longrie or the county distribution forester Chris Westwood with questions

Thank you for your assistance in our communication to the counties and your willingness to work with us through this very difficult situation.

Carmel

Carmel Smith
(She/Her Pronouns)

Regional Audit Manager | Audit

Washington State Department of Revenue / 1904 Humboldt St, Suite A | Bellingham, WA 98225
360/594-4850 | F 360/594-4888 | dor.wa.gov | Carmels@dor.wa.gov

CONFIDENTIALITY NOTICE

This e-mail may contain confidential information protected from unauthorized disclosure by the Washington Records Act (RCW 42.17.310, RCW 82.32.330 and RCW 84.08.210). The information is intended only for the use of the individual name(s) above. If you are not the intended recipient you are hereby notified that any unauthorized disclosure, copying, distributing, or the taking of action in reliance on the contents of this information is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone to arrange for return of the documents.