

**BOARD OF REGENTS**  
EASTERN MICHIGAN UNIVERSITY

SECTION: 5

DATE:

January 17, 2006

**RECOMMENDATION**

**REPORT: ACCOUNTS RECEIVABLE**

**ACTION REQUESTED**

It is recommended that the Student Accounts Receivable Ratio Analysis, the Student Accounts Receivable Reports, and the Collection Agency Inventory as of November 30, 2005, be received and placed on file.

**STAFF SUMMARY**

The Student Accounts Receivable Ratio Analysis reflects that the November 30, 2005 net receivable balance is \$68.0 million or 50.82 percent of revenue versus \$24.1 million or 28.82 percent of revenue as of November 30, 2004. The November 30, 2005 balance increased by \$43.9 million or 22.0 percentage points and also shows an increase of 17.87 percentage points versus the five-year average of 32.95 percent.

**FISCAL IMPLICATIONS**

The large increase in AR over this time last year is the result of the timing of Winter term assessments. In 2004, we assessed Winter '05 in the beginning of December while in 2005, we assessed Winter prior to the Thanksgiving break to allow students and their families the opportunity to sign up in the payment plan over the holiday.

As the October 2005 numbers show, AR continues to trend significantly lower than last year, mostly due to the decrease in the hold limit from \$1,000 to \$300.00. We are working very hard, with the assistance of Enrollment Services staff, to provide as many payment options to our students and their families as possible.

We continuously balance our strategic goal of being accessible to our students with maintaining and enforcing fiscal responsibility.

**ADMINISTRATIVE RECOMMENDATION**

The proposed Board action has been reviewed and is recommended for Board approval.

\_\_\_\_\_  
University Executive Officer

\_\_\_\_\_  
Date

# Student Accounts Receivable Ratio Analysis

2004-05, 2005-06  
(thousands of dollars)

<u>2004-05</u>					<u>2005-06</u>				
	<u>Revenue</u>	<u>Net Receivable</u>	<u>Percent</u>	<u>5 Year Average Percent</u>		<u>Revenue</u>	<u>Net Receivable</u>	<u>Percent</u>	<u>5 Year Average Percent</u>
July	\$ 58,575	\$ 67,031	114.44%	100.08%	\$ 373	\$ 10,927	2927.87%	810.77%	
August	69,001	41,209	59.72%	51.79%	74,664	\$ 38,617	51.72%	53.33%	
September	71,836	32,095	44.68%	36.06%	77,499	\$ 28,829	37.20%	37.13%	
October	72,472	22,002	30.36%	22.27%	78,168	20,152	25.78%	23.58%	
November	83,596	24,094	28.82%	24.58%	133,953	68,078	50.82%	32.95%	
December	132,771	20,769	15.64%	15.21%					
January	138,195	22,349	16.17%	14.32%					
February	138,761	16,582	11.95%	10.10%					
March	140,829	13,621	9.67%	7.69%					
April	151,052	17,748	11.75%	11.52%					
May	151,756	11,661	7.68%	7.30%					
June	151,966	9,348	6.15%	5.03%					

**Eastern Michigan University**  
**Student Accounts Receivable Reports**  
**For Month Ended November 30, 2005**

**Aging Report**

	Current	60-120 Days	121-180 Days	181-360 Days	Total
Gross Receivable	\$56,612,648	\$5,152,661	\$4,361,508	\$2,787,610	\$68,914,427
Allowance	83,596	125,394	208,990	417,980	835,960
Net Receivable	\$56,529,052	\$5,027,267	\$4,152,518	\$2,369,630	\$68,078,467
11/30/04 Balance	\$11,416,939	\$4,894,572	\$4,742,073	\$3,039,992	\$24,093,576

**Revenue Summary**

	Fiscal Year To Date	Prior Year To Date	Variance
<u>General and Designated Fund Revenue</u>			
Tuition & Required Fees	\$109,516,617	\$58,208,315	88.15%
Other Student Fees	2,588,025	2,406,546	7.54%
Total	112,104,643	60,614,861	84.95%
<u>Other Funds Revenue</u>			
Room & Board	20,318,140	21,349,870	-4.83%
Miscellaneous	1,529,762	1,631,372	-6.23%
Total	21,847,902	22,981,242	-4.93%
Total Revenue	\$133,952,545	\$83,596,103	60.24%

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**Eastern Michigan University**  
**Student Accounts Receivable**  
**Collection Agency Inventory**  
**For Month Ended November 30, 2005**

<u>Agency</u>	<u>Cumulative Inventory @ November 2005</u>	<u>Cumulative Inventory @ November 2004</u>
Credit Bureau of Ypsilanti	\$1,308,681	1,348,217
Enterprise Recovery	4,867,314	4,140,111
General Revenue Corporation	2,675,382	2,555,151
National Enterprise Systems	<u>2,541,506</u>	<u>2,552,758</u>
<b>TOTALS</b>	<b><u>11,392,883</u></b>	<b><u>10,596,237</u></b>
 Five Year Revenue	 636,605,816	 581,814,110
Five Year % of Revenue	1.79%	1.82%

**Eastern Michigan University**  
Collection Agency Comparison

**Net Assignments**

<u>Agency</u>	<u>Y-T-D November 2005</u>	<u>Y-T-D November 2004</u>
Credit Bureau of Ypsilanti	(\$2,027)	(\$210)
Enterprise Recovery	460,784	832,325
General Revenue Corporation	(126,952)	(134,586)
National Enterprise Systems	<u>344,231</u>	<u>128,971</u>
TOTALS	<u><u>676,036</u></u>	<u><u>826,500</u></u>

**Recoveries**

<u>Agency</u>	<u>Y-T-D November 2005</u>	<u>Y-T-D November 2004</u>
Credit Bureau of Ypsilanti	\$5,147	\$16,138
Enterprise Recovery	125,274	186,060
General Revenue Corporation	129,474	134,351
National Enterprise Systems	<u>70,688</u>	<u>106,654</u>
TOTALS	<u><u>330,582</u></u>	<u><u>443,203</u></u>

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**Eastern Michigan University**  
**Collection Agency Comparison**

**Collection Expense**

<u>Agency</u>	<u>Y-T-D</u> <u>November 2005</u>	<u>Y-T-D</u> <u>November 2004</u>
Credit Bureau of Ypsilanti	\$3,678	\$7,727
Enterprise Recovery	41,591	51,987
General Revenue Corporation	30,924	37,017
National Enterprise Systems	<u>21,987</u>	<u>31,238</u>
TOTALS	<u><u>98,180</u></u>	<u><u>127,969</u></u>

**Eastern Michigan University**  
**Collection Agency Inventory Rollforward**  
**2005-06**

Agency	Beginning Inventory October 2005	November 2005 Assignments	November 2005 Recoveries	=Ending Inventory November 2005
Credit Bureau of Ypsilanti	1,308,681.00	\$0	\$0	\$1,308,681
Enterprise Recovery	4,896,604.00	(2,373)	26,916	4,867,314
General Revenue Corporation	2,680,240.00	20,478	25,336	2,675,382
National Enterprise Systems	2,571,210.00	481	30,185	2,541,506
<b>TOTALS</b>	<b>11,456,735</b>	<b>18,586</b>	<b>82,437</b>	<b>11,392,883</b>

**2004-05 (Prior Year)**

Agency	Beginning Inventory October 2004	November 2004 Assignments	November 2004 Recoveries	=Ending Inventory November 2004
Credit Bureau of Ypsilanti	\$1,348,217	\$0	\$1,020	\$1,347,197
Enterprise Recovery	4,140,111	399,143	28,578	4,510,676
General Revenue Corporation	2,555,151	308,447	21,279	2,842,319
National Enterprise System	2,552,758	193,758	10,522	2,735,994
<b>TOTALS</b>	<b>10,596,238</b>	<b>901,347</b>	<b>61,399</b>	<b>11,436,186</b>