

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 5
DATE: November 14, 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 September 30, 2006, be received and placed on file.

STAFF SUMMARY

The Student Accounts Receivable Ratio Analysis reflects that the September 30, 2006 net receivable balance is \$24,307,000 or 30.85 percent of revenue as compared to \$28,829,000 or 37.20 percent of revenue as of September 30, 2005 which is a 6.35 percentage point decrease. The report shows a decrease of 4.66 percentage points as compared to the five-year average of 35.51 percent.

FISCAL IMPLICATIONS

The reduction in AR over this time last year is a result of more aggressive collection efforts and write-offs. The revenue increased by \$1.3 million while the uncollected receivables balance decreased by slightly more than \$4.5 million. Our program of earlier intervention on unpaid receivables is resulting in improved collections.

We continually 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

[illegible]

Eastern Michigan University
Student Accounts Receivable Reports
For Month Ended September 30, 2006

Aging Report

	Current	60-120	121-180 Days	181-360 Days	Total
Gross Receivable	\$8,195,734	\$8,363,172	\$5,346,946	\$2,857,840	\$24,763,692
Allowance	63,026	78,782	118,173	196,955	456,935
Net Receivable	\$8,132,708	\$8,284,390	\$5,228,773	\$2,660,885	\$24,306,757
8/31/2005	\$31,610,844	\$2,060,370	\$1,560,228	\$3,385,193	\$38,616,635

Revenue Summary

	Fiscal Year To Date	Prior Year To Date	Variance
<u>General and Designated Fund Revenue</u>			
Tuition & Required Fees	\$66,383,682	\$64,558,610	2.83%
Other Student Fees	1,053,615	1,572,105	-32.98%
Total	67,437,297	66,130,715	1.98%
<u>Other Funds Revenue</u>			
Room & Board	9,837,113	10,194,118	-3.50%
Miscellaneous	1,507,506	1,173,869	28.42%
Total	11,344,620	11,367,987	-0.21%
Total Revenue	\$78,781,917	\$77,498,702	1.66%

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Student Accounts Receivable

Collection Agency Inventory

For Month Ended September 30, 2006

Agency	Cumulative Inventory @ September 2006	Cumulative Inventory @ September 2005
Credit Bureau of Ypsilanti	\$1,296,339	1,310,117
Enterprise Recovery	6,490,696	4,882,874
General Revenue Corporation	4,952,831	2,619,798
National Enterprise Systems	3,881,717	2,711,487
TOTALS	16,621,583	11,524,276
Five Year Revenue	758,821,396	693,553,167
Five Year % of Revenue	2.19%	1.66%

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Collection Agency Comparison

Net Assignments

Agency	Y-T-D September 2006	Y-T-D September 2005
Credit Bureau of Ypsilanti	4,612.89	(2,027.00)
Enterprise Recovery	(178,827.38)	410,047.00
General Revenue Corporation	36,568.02	(222,102.00)
National Enterprise Systems	202,976.43	471,245.00
TOTALS	65,330	657,163

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Recoveries**

Agency	Y-T-D September 2006	Y-T-D September 2005
Credit Bureau of Ypsilanti	\$1,451	\$3,710
Enterprise Recovery	225,411	85,893
General Revenue Corporation	109,920	62,993
National Enterprise Systems	75,657	27,720
TOTALS	<u>\$412,439</u>	<u>\$180,316</u>

**Eastern Michigan University
Collection Agency Comparison**

Collection Expense

Agency	Y-T-D September 2006	Y-T-D September 2005
Credit Bureau of Ypsilanti	\$696	\$3,059
Enterprise Recovery	60,086	23,721
General Revenue Corporation	29,919	19,501
National Enterprise Systems	20,912	11,922
TOTALS	<u>111,613</u>	<u>58,203</u>

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Collection Agency Inventory Rollforward
2006-07

Agency	Beginning Inven September 2006			September 2006 =Ending Inventory		
	Aug 2006	Assignments	Recoveries	September 2006	Recoveries	September 2006
Credit Bureau of Ypsilanti	\$ 1,291,944	\$ 4,395	-	\$ 1,296,339		
Enterprise Recovery	6,499,098	103,260	111,661	6,490,696		
General Revenue Corporation	5,014,585	(4,415)	57,340	4,952,831		
National Enterprise Systems	3,973,107	(54,584)	36,806	3,881,717		
TOTALS	\$ 16,778,734	\$ 48,656	\$ 205,807	\$ 16,621,583		

2005-06 (Prior Year)

Agency	Beginning Inven September 2005			September 2005 =Ending Inventory		
	Aug 2005	Assignments	Recoveries	September 2005	Recoveries	September 2005
Credit Bureau of Ypsilanti	\$ 1,315,333	\$ (2,027)	\$ 3,189	\$ 1,310,117		
Enterprise Recovery	4,803,693	115,810	36,629	4,882,874		
General Revenue Corporation	3,147,512	(508,246)	19,468	2,619,798		
National Enterprise System	2,299,373	412,114	-	2,711,487		
TOTALS	\$ 11,565,911	\$ 17,651	\$ 59,286	\$ 11,524,276		