

**BOARD OF REGENTS**  
EASTERN MICHIGAN UNIVERSITY

SECTION: 5
DATE: September 19, 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 June 30, 2006, be received and placed on file.

**STAFF SUMMARY**

The Student Accounts Receivable Ratio Analysis reflects that the June 30, 2006 net receivable balance is \$10,430,000 or 6.01 percent of revenue as compared to \$9,348,000 or 6.15 percent of revenue as of June 30, 2005 which is a 0.14 percentage point decrease. The report shows an increase of 0.47 percentage points as compared to the five-year average of 5.50 percent.

**FISCAL IMPLICATIONS**

The increase in AR over this time last year is primarily due to a change in tuition rates. The revenue increased by \$21.5 million and the uncollected receivables balance increased by slightly more than \$1 million. We have begun a program of earlier intervention on unpaid receivables which should show improved collections.

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)

2004-05

2005-06

	2004-05			2005-06			5 Year Average Percent
	Revenue	Net Receivable	Percent	Revenue	Net Receivable	Percent	
July '04	\$ 58,575	\$ 67,031	114.44%	July '05	\$ 8,601	\$	110.56%
August '04	69,001	41,209	59.72%	August '05	74,664	10,927	53.33%
September '04	71,836	32,095	44.68%	September '05	77,499	38,617	37.13%
October '04	72,472	22,002	30.36%	October '05	78,168	28,829	23.58%
November '04	83,596	24,094	28.82%	November '05	133,953	20,152	32.95%
December '04	132,771	20,769	15.64%	December '05	143,134	68,078	22.18%
January '05	138,195	22,349	16.17%	January '06	150,388	21,674	14.08%
February '05	138,761	16,582	11.95%	February '06	151,074	17,542	10.41%
March '05	140,829	13,621	9.67%	March '06	153,956	13,781	8.10%
April '05	151,052	17,748	11.75%	April '06	164,171	20,838	11.81%
May '05	151,756	11,661	7.68%	May '06	172,846	12,946	7.51%
June '05	151,966	9,348	6.15%	June '06	173,551	10,430	5.50%

**East Michigan University**  
Student Accounts Receivable Reports  
For Month Ended June 30, 2006

**Aging Report**

	Current	60-120 Days	121-180 Days	181-360 Days	Total
Gross Receivable	\$1,613,067	\$2,951,435	\$2,667,429	\$4,079,830	\$11,311,761
Allowance	121,573	151,966	227,949	379,915	881,403
Net Receivable	\$1,491,494	\$2,799,469	\$2,439,480	\$3,699,915	\$10,430,358
6/30/2005	\$914,318	\$2,361,713	\$1,756,745	\$4,314,760	\$9,347,536

**Revenue Summary**

	Fiscal Year To Date	Prior Year To Date	Variance
<u>General and Designated Fund Revenue</u>			
Tuition & Required Fees	\$146,895,764	\$123,304,154	19.13%
Other Student Fees	4,136,740	4,955,838	-16.53%
Total	151,032,504	128,259,992	17.75%
<u>Other Funds Revenue</u>			
Room & Board	19,817,979	20,888,004	-5.12%
Miscellaneous	2,700,153	2,817,546	-4.17%
Total	22,518,131	23,705,550	-5.01%
Total Revenue	\$173,550,635	\$151,965,542	14.20%

**Eastern Michigan University**  
**Student Accounts Receivable**  
**Collection Agency Inventory**  
**For Month Ended June 30, 2006**

Agency	Cumulative Inventory @ June 2006	Cumulative Inventory @ June 2005
Credit Bureau of Ypsilanti	1,294,364	1,318,289
Enterprise Recovery	7,233,849	4,558,720
General Revenue Corporation	5,046,811	2,911,383
National Enterprise Systems	3,512,314	2,267,963
TOTALS	17,087,337	11,056,355
Five Year Revenue	734,633,317	636,605,816 *
Five Year % of Revenue	2.33%	1.74% *

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

**Net Assignments**

Agency	Y-T-D June 2006	Y-T-D June 2005
Credit Bureau of Ypsilanti	-4,496	-4,947
Enterprise Recovery	3,086,914	1,175,059
General Revenue Corporation	2,420,527	107,988
National Enterprise Systems	1,431,871	-237,462
TOTALS	6,934,816	1,040,638

\*Reflects A/R June 2005 report and the supporting spreadsheet had not been updated since Sep. 2004.  
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Agency	Y-T-D June 2006	Y-T-D June 2005
Credit Bureau of Ypsilanti	\$16,994	\$32,285
Enterprise Recovery	384,870	448,391
General Revenue Corporation	305,525	281,678
National Enterprise Systems	187,519	186,020
TOTALS	894,908	948,374

## Eastern Michigan University Collection Agency Comparison

### Collection Expense

Agency	Y-T-D June 2006	Y-T-D June 2005
Credit Bureau of Ypsilanti	\$9,279	\$18,054
Enterprise Recovery	113,996	132,237
General Revenue Corporation	78,709	84,937
National Enterprise Systems	51,034	60,169
TOTALS	253,017	295,397

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

Agency	Beginning Inventory May 2006	June 2006 Assignments	June 2006 Recoveries	=Ending Inventory June 2006
Credit Bureau of Ypsilanti	\$1,298,687	(\$146)	\$4,177	\$1,294,364
Enterprise Recovery	6,464,493	816,378	47,022	7,233,849
General Revenue Corporation	4,201,550	883,995	38,735	5,046,811
National Enterprise Systems	3,112,286	429,125	29,097	3,512,314
TOTALS	15,077,016	2,129,352	119,031	17,087,337

**2004-05 (Prior Year)**

Agency	Beginning Inventory May 2005	June 2005 Assignments	June 2005 Recoveries	=Ending Inventory June 2005
Credit Bureau of Ypsilanti	\$1,326,673	(\$360)	\$8,024	\$1,318,289
Enterprise Recovery	4,338,299	252,779	32,358	4,558,720
General Revenue Corporation	3,052,565	(114,998)	26,183	2,911,384
National Enterprise System	2,431,423	(141,229)	22,231	2,267,963
TOTALS	11,148,960	(3,808)	88,796	11,056,356

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