

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 5

DATE:

January 19, 2007

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, 2006, be received and placed on file.

STAFF SUMMARY

The Student Accounts Receivable Ratio Analysis reflects that the November 30, 2006 net receivable balance is \$66,466,000 or 49.13 percent of revenue as compared to \$68,078,000 or 50.82 percent of revenue as of November 30, 2005 which is a 1.69 percentage point decrease. The report shows an increase of 10.04 percentage points as compared to the five-year average of 39.09 percent.

FISCAL IMPLICATIONS

The increase in the Accounts Receivable Ratio over the five year average is the result of assessing student tuition at the time of registration. This process began in the 2004-2005 year and results in much larger tuition and accounts receivable balances in November. The reduction in AR over this time last year is a result of more aggressive collection efforts. The revenue increased by almost \$2 million while the uncollected receivables balance decreased by slightly more than \$1.6 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

Student Account's Receivable

Ratio Analysis

(thousands of dollars)

	Calendar Year 2004-05				Calendar Year 2005-06			
	Revenue	Net Receivable	Percent	5 Year Average Percent	Revenue	Net Receivable	Percent	5 Year Average Percent
Dec 2004	\$ 132,771	20,769	15.64%	15.21%	143,134	67,305	47.02%	22.18%
Jan 2005	138,195	22,349	16.17%	14.32%	150,388	21,674	14.41%	14.08%
Feb 2005	138,761	16,582	11.95%	10.10%	151,074	17,542	11.61%	10.41%
Mar 2005	140,829	13,621	9.67%	7.69%	153,956	13,781	8.95%	8.10%
Apr 2005	151,052	17,748	11.75%	11.52%	164,171	20,838	12.69%	11.81%
May 2005	151,756	11,661	7.68%	7.30%	172,846	12,946	7.49%	7.51%
Jun 2005	151,966	9,348	6.15%	5.03%	174,070	10,430	5.99%	5.49%
July 2005	8,601	10,927	127.04%	110.56%	66,124	76,980	116.42%	114.25%
Aug 2005	74,664	38,617	51.72%	53.33%	76,089	33,027	43.41%	48.82%
Sep 2005	77,499	28,829	37.20%	37.13%	78,782	24,307	30.85%	35.51%
Oct 2005	78,168	20,152	25.78%	23.58%	79,288	21,055	26.56%	24.56%
Nov 2005	133,953	68,078	50.82%	32.95%	135,273	66,466	49.13%	39.09%

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

Aging Report

	Current	60-120	121-180 Days	181-360 Days	Total
November 2006					
Gross Receivable	\$57,547,880	\$1,154,473	\$6,039,598	\$2,508,798	\$67,250,749
November 2006					
Allowance	108,218	135,273	202,909	338,182	784,582
November 2006					
Net Receivable	\$57,439,662	\$1,019,200	\$5,836,689	\$2,170,616	\$66,466,168
November 2005					
Net Receivable	\$56,529,052	\$5,027,267	\$4,152,518	\$2,369,630	\$68,078,467

Revenue Summary

	Fiscal Year To Date Jul - Nov 2006	Prior Year To Date Jul - Nov 2005	Variance
<u>General and Designated Fund Revenue</u>			
Tuition & Required Fees	\$112,228,676	\$109,516,617	2.48%
Other Student Fees	1,851,839	2,588,025	-28.45%
Total	114,080,515	112,104,642	1.76%
<u>Other Funds Revenue</u>			
Room & Board	19,340,335	20,318,140	-4.81%
Miscellaneous	1,851,865	1,529,762	21.06%
Total	21,192,200	21,847,902	-3.00%
Total Revenue	\$135,272,716	\$133,952,544	0.99%

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

Agency	Cumulative Inventory @ November 2006	Cumulative Inventory @ November 2005
Credit Bureau of Ypsilanti	\$1,297,961	1,308,681
Enterprise Recovery	6,853,067	4,867,315
General Revenue Corporation	4,555,919	2,675,382
National Enterprise Systems	3,682,947	2,541,506
TOTALS	16,389,894	11,392,884
Five Year Revenue	811,525,624	748,460,219
Five Year % of Revenue	2.02%	1.52%

Eastern Michigan University
Collection Agency Comparison

Net Assignments

Agency	Y-T-D November 2006	Y-T-D November 2005
Credit Bureau of Ypsilanti	\$7,864	(\$2,027)
Enterprise Recovery	295,339	460,784
General Revenue Corporation	(243,032)	(126,952)
National Enterprise Systems	42,292	344,231
TOTALS	102,462	676,036

Eastern Michigan University Recoveries

Agency	Y-T-D November 2006	Y-T-D November 2005
Credit Bureau of Ypsilanti	\$3,080	\$5,147
Enterprise Recovery	337,206	125,274
General Revenue Corporation	227,231	129,474
National Enterprise Systems	113,743	70,688
TOTALS	681,260	330,583

Eastern Michigan University Collection Agency Comparison

Collection Expense

Agency	Y-T-D November 2006	Y-T-D November 2005
Credit Bureau of Ypsilanti	\$1,510	\$3,678
Enterprise Recovery	90,580	41,591
General Revenue Corporation	60,249	30,924
National Enterprise Systems	31,028	21,987
TOTALS	183,367	98,180

Eastern Michigan University
Collection Agency Inventory Rollforward
2006-07

Agency	Beginning Inventory		November 2006		November 2006 = Ending Inventory
	Oct 2006	Assignments	Recoveries	November 2006	
Credit Bureau of Ypsilanti	\$1,295,930	\$2,096	\$66	\$1,297,961	
Enterprise Recovery	6,804,010	99,016	49,959	6,853,067	
General Revenue Corporation	4,616,724	5,132	65,936	4,555,919	
National Enterprise Systems	3,795,115	(89,406)	22,762	3,682,947	
TOTALS	16,511,779	16,838	138,723	16,389,894	

2005-06 (Prior Year)

Agency	Beginning Inventory		November 2005		November 2005 = Ending Inventory	
	Oct 2005	Assignments	Recoveries	November 2005	November 2005	
Credit Bureau of Ypsilanti	\$1,308,681	\$0	\$0	\$1,308,681		
Enterprise Recovery	4,896,604	(2,373)	26,916	\$4,867,315		
General Revenue Corporation	2,680,240	20,478	25,336	2,675,382		
National Enterprise System	2,571,210	481	30,185	2,541,506		
TOTALS	11,456,735	18,586	82,437	11,392,884		