

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 5

DATE:

January 18, 2005

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, 2004, be received and placed on file.

STAFF SUMMARY

The Student Accounts Receivable Ratio Analysis reflects that the November 30, 2004 net receivable balance is \$24,094,000 or 28.82 percent of revenue as compared to \$15,001,000 or 19.72 percent of revenue as of November 30, 2003 which is a 9.10 percent increase. The report shows an increase of 4.24 percent as compared to the five-year average of 24.58 percent.

FISCAL IMPLICATIONS

Housing charges in the amount of approximately \$5 million were applied in November 2004. These same charges were not applied until December of last year. The result of this change would be a decrease in the A/R percentage of 5.98 percent of revenue. The additional variance appears to be caused by delayed student payments, possibly resulting from the continuing economic climate of the state; and the financial hold limit, which was increased from \$300 to \$1,000 in order to influence enrollment. The \$1,000 hold limit allowed over 3,000 students to register for fall semester, and remains in place for the current Winter 2005 registration period.

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

2003-04, 2004-05

(thousands of dollars)

	<u>2003-04</u>				<u>2004-05</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	\$ 59,893	\$ 65,059	108.63%	68.70%	\$ 58,575	\$ 67,031	114.44%	100.08%
August	67,734	32,961	48.66%	50.20%	69,001	41,209	59.72%	51.79%
September	71,290	24,673	34.61%	34.34%	71,836	32,095	44.68%	36.06%
October	71,669	14,901	20.79%	20.65%	72,472	22,002	30.36%	22.27%
November	76,078	15,001	19.72%	23.74%	83,596	24,094	28.82%	24.58%
December	131,317	22,159	16.87%	15.12%				
January	136,140	18,154	13.33%	13.95%				
February	136,567	14,151	10.36%	9.73%				
March	137,232	11,143	8.12%	7.29%				
April	148,646	19,103	12.85%	11.47%				
May	149,080	12,348	8.28%	7.22%				
June	149,316	6,894	4.62%	4.80%				

Eastern Michigan University
Student Accounts Receivable Reports
For Month Ended November 30, 2004

Aging Report

	Current	60-120 Days	121-180 Days	181-360 Days	Total
Gross Receivable	\$11,573,773	\$5,129,823	\$5,134,158	\$3,824,162	\$25,661,916
Allowance	156,834	235,251	392,085	784,170	1,568,341
Net Receivable	\$11,416,939	\$4,894,572	\$4,742,073	\$3,039,992	\$24,093,575
11/30/03 Balance	\$7,108,469	\$3,047,482	\$2,952,532	\$1,892,774	\$15,001,257

Revenue Summary

	Fiscal Year To Date	Prior Year To Date	Variance
<u>General and Designated Fund Revenue</u>			
Tuition & Required Fees	\$58,208,315	\$57,734,556	0.82%
Other Student Fees	2,406,546	1,627,587	47.86%
Total	60,614,861	59,362,144	2.11%
<u>Other Funds Revenue</u>			
Room & Board	21,349,870	15,077,578	41.60%
Miscellaneous	1,631,372	1,638,302	-0.42%
Total	22,981,242	16,715,880	37.48%
Total Revenue	\$83,596,103	\$76,078,024	9.88%

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Student Accounts Receivable Collection Agency Inventory For Month Ended November 30, 2004

Agency	Cumulative Inventory @ November 2004	Cumulative Inventory @ November 2003
Credit Bureau of Ypsilanti	\$1,347,197	\$1,405,297
Enterprise Recovery	4,510,675	3,341,202
General Revenue Corporation	2,842,319	2,750,011
H. W. Ketchum Collection	(194)	(9,030)
National Enterprise Systems	2,735,994	2,308,373
World Credit, Inc.	<u>684</u>	<u>684</u>
TOTALS	<u><u>11,436,676</u></u>	<u><u>9,796,537</u></u>
Five Year Revenue	636,605,816	581,814,110
Five Year % of Revenue	1.80%	1.68%

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Collection Agency Comparison

Net Assignments

Agency	Y-T-D November 2004	Y-T-D November 2003
Credit Bureau of Ypsilanti	(\$210)	\$6,181
Enterprise Recovery	832,325	47,398
General Revenue Corporation	(134,586)	375,200
H. W. Ketchum Collection	(1,418)	29
National Enterprise Systems	128,971	30,316
TOTALS	825,082	459,124

Recoveries

Agency	Y-T-D November 2004	Y-T-D November 2003
Credit Bureau of Ypsilanti	\$16,138	\$20,800
Enterprise Recovery	186,060	110,623
General Revenue Corporation	134,351	127,677
H. W. Ketchum Collection	0	1,346
National Enterprise Systems	106,654	107,162
TOTALS	443,202	367,608

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Collection Agency Comparison

Collection Expense

Agency	Y-T-D November 2004	Y-T-D November 2003
Credit Bureau of Ypsilanti	\$7,727	\$18,756
Enterprise Recovery	51,987	34,617
General Revenue Corporation	37,017	35,546
H. W. Ketchum Collection	0	673
National Enterprise Systems	31,238	46,988
World Credit, Inc.	<u>0</u>	<u>0</u>
TOTALS	<u><u>127,968</u></u>	<u><u>136,580</u></u>

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Collection Agency Inventory Rollforward
2004-05

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	4,510,675
General Revenue Corporation	2,555,151	308,447	21,279	2,842,319
H. W. Ketchum Collection	(194)	0	0	(194)
National Enterprise Systems	2,552,758	193,758	10,522	2,735,994
World Credit, Inc.	684	0	0	684
TOTALS	10,596,727	901,347	61,399	11,436,676

2003-04 (Prior Year)

Agency	Beginning Inventory October 2003	+November 2003 Assignments	-November 2003 Recoveries	=Ending Inventory November 2003
Credit Bureau of Ypsilanti	\$1,407,842	\$296	\$2,841	\$1,405,297
Enterprise Recovery	3,488,092	(125,379)	21,511	3,341,202
General Revenue Corporation	2,623,790	153,071	26,850	2,750,011
H. W. Ketchum Collection	(9,030)	0	0	(9,030)
National Enterprise System	2,264,406	58,809	14,842	2,308,373
World Credit, Inc.	684	0	0	684
TOTALS	9,775,785	86,796	66,044	9,796,537