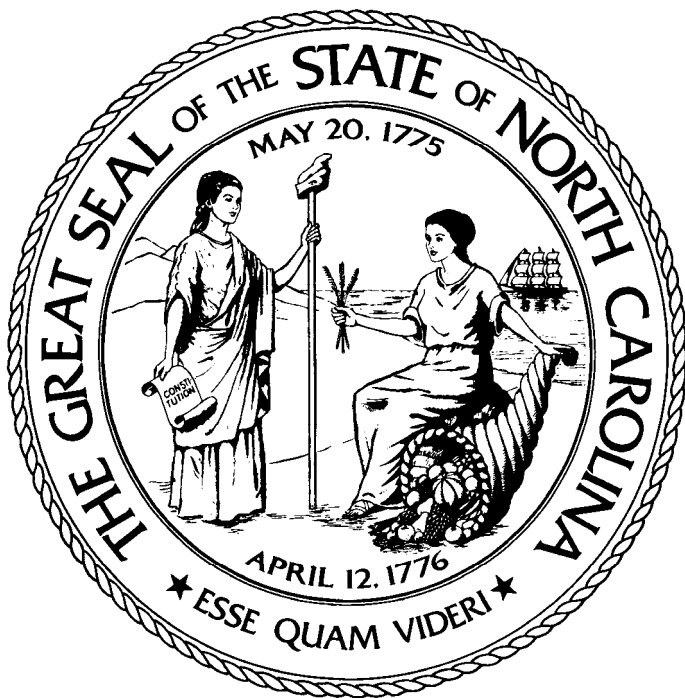

NORTH CAROLINA



STATEWIDE ACCOUNTS RECEIVABLE REPORT

***For the Year
Ended
June 30, 2006***

North Carolina Office of the State Controller
Robert L. Powell, State Controller



State of North Carolina Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

March 30, 2007

The Honorable Michael F. Easley, Governor
The Honorable Marc Basnight, Senate President Pro Tempore
The Honorable Joe Hackney, Speaker of the House of Representatives

We are pleased to present to you the State of North Carolina *Statewide Accounts Receivable Report* for the year ended June 30, 2006. This report is prepared in accordance with Article 6B of Chapter 147 of North Carolina General Statutes.

This Article provides that the State Controller shall implement a statewide accounts receivable program. It further provides that the State Controller shall report annually to the Governor, the Joint Legislative Commission on Governmental Operations, and each state agency a summary of accounts receivable using information provided by state agencies and any additional information available.

We hope that you find this report both informative and beneficial. If you have any questions or comments, please contact me at (919) 981-5454. We also invite you to visit our internet site for additional financial reports and information: <http://www.ncosc.net/>.

Respectfully submitted,

Robert L. Powell
State Controller

cc: Members of the North Carolina Joint Legislative
Commission on Governmental Operations
Chief Fiscal Officers

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EXECUTIVE SUMMARY

The *Statewide Accounts Receivable Report* includes all receivables at June 30, 2006, reported to the Office of the State Controller by state agencies. As defined by North Carolina General Statute, a receivable is an asset of the State of North Carolina (State) reflecting a debt that is owed to the State and has not been received by the state agency servicing the debt. A state agency is defined by statute as any department, institution, board, commission, committee, division, bureau, officer, official or any other entity for which the State has oversight responsibility including any university. As prescribed by statute for the statewide accounts receivable program, the term state agency does not include a community college, an area mental health, developmental disabilities, and substance abuse authority, or the General Court of Justice.

The receivables disclosed in this report are based on generally accepted accounting principles (GAAP) and reflect a snapshot of amounts owed to the State at June 30, the conclusion of the State's fiscal year. Receivables reported by state agencies are detailed by agency in Appendix A and summarized by type in Table 1:

	2006	2005	2004
Taxes Receivable.....	\$2,442,021	\$2,067,904	\$1,287,148
Accounts Receivable.....	1,417,701	1,150,945	1,144,166
Intergovernmental Receivable.....	1,234,591	993,851	827,359
Notes Receivable.....	4,819,274	4,326,517	3,794,408
Interfund Receivable.....	405,016	473,316	649,287
Other Receivable.....	653,298	600,249	554,081
Total Receivables.....	<u>\$10,971,901</u>	<u>\$9,612,782</u>	<u>\$8,256,449</u>

This report also discloses additional information about the State's receivables at fiscal year end such as: an aging of receivables which indicates the degree to which receivables are past due; allowances made for doubtful accounts which indicate agency estimates of receivables which will not be collected; and write-offs which are receivables that agencies will not, or most likely will not, collect and have deducted from their accounting records.

This report also discusses efforts made by the Office of the State Controller to perform a self assessment and study of the statewide accounts receivable program it administers. This study revealed opportunities for improvement and also indications of state agency noncompliance with statutory and program requirements.

OSC strives for improvements in the management of accounts receivable and will continue to work with state agencies to improve collection results and ensure compliance with requirements. OSC recognizes that there are accounting system issues which limit collection performance and strongly recommends a new business infrastructure for accounts receivable, billing and collection systems.

ACCOUNTS RECEIVABLE OVERVIEW

Role of the State Controller

The State Controller by statute is required to implement a statewide accounts receivable program. As part of this program, the State Controller shall:

- Monitor the state's accounts receivable collection efforts;
- Coordinate information, systems, and procedures between state agencies to maximize the collection of past-due accounts receivable;
- Adopt policies and procedures for the management and collection of accounts receivable by state agencies; and
- Establish procedures for writing off accounts receivable and for determining when to end efforts to collect accounts receivable after they have been written off.

How the State Collects Debt

State agencies invoice businesses and individuals for services rendered through many different billing and receivable systems.

State policy provides that receivable systems of state agencies should:

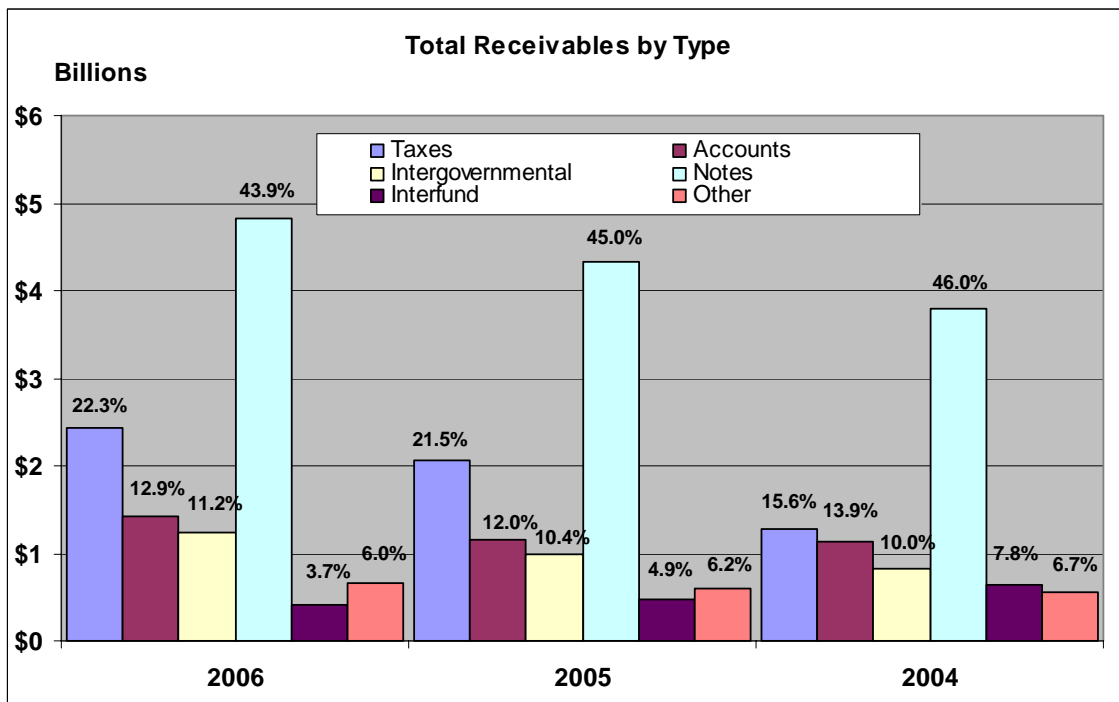
- Bill accounts on a timely basis, whether the receivables are due from private entities, the federal government, localities, or state agencies and institutions;
- Maintain an accurate record of receivables transactions;
- Effectively interface with other applicable agency-based accounting systems;
- Provide an aged trial balance of receivables;
- Provide information relative to specific collection efforts on each past-due account;
- Provide realistic estimates of, and properly account for, doubtful accounts;
- Properly account for receivables that are written off;
- Recognize and report receivables in accordance with generally accepted accounting principles (GAAP);
- Comply with federal and other contractual regulations;
- Maintain a record of year-end receivable balances; and
- Provide for the accrual of interest and penalties as allowed, or as required by law.

ACCOUNTS RECEIVABLE OVERVIEW

Year-End Amounts

As shown on Table 1, receivables totaled \$11.0 billion for fiscal 2006, \$9.6 billion for fiscal 2005 and \$8.3 billion for fiscal 2004. Total receivables grew by \$2.7 billion or 33 percent during this period. Most of this increase was due to a \$1 billion increase in notes receivable and a \$1.2 billion increase in taxes receivable. The increase in notes receivable is predominantly due to the State Education Assistance Authority where loans increased by \$791 million. Growth in taxes receivable is attributable mainly to an accounting change made by the Department of Revenue impacting individual income taxes for fiscal 2006 and 2005. Appendix A details year-end amounts by agency and receivable type for fiscal 2006. Exhibit 1 summarizes total receivables by type for fiscal years 2006, 2005, and 2004:

Exhibit 1



Taxes - Primarily consist of individual income tax, sales and use tax, and local sales tax collections.

Accounts - Primarily consist of student, patient and medical provider payments.

Intergovernmental - Primarily consists of funds due from federal and local governments.

Notes - Primarily consist of student loans, housing mortgage loans and EPA revolving loans that will be collected on a predetermined contractual basis.

Interfund - Primarily consists of funds moving between different state fund types.

Other - Primarily consists of participant contributions to the health and pension plans and State Treasurer investment earnings (distributions) owed to those funds (trust, special) that earn interest.

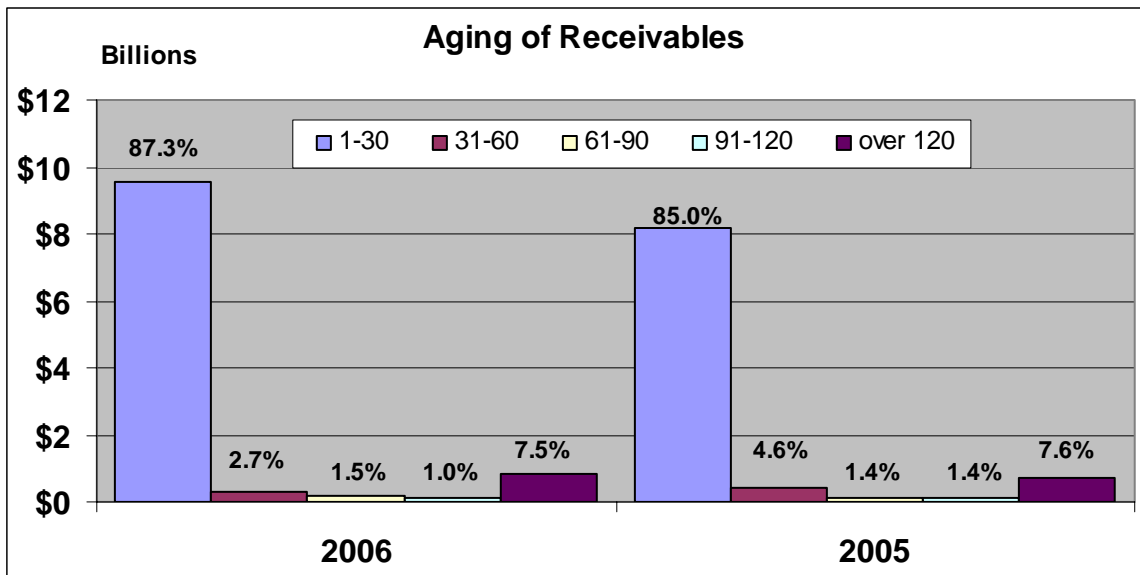
ACCOUNTS RECEIVABLE OVERVIEW

Aging of Receivables

An aging of receivables indicates the degree to which receivables are past due. State agencies provide the Office of the State Controller an aged trial balance of receivables each fiscal year end. The following aging categories are required to be used: 1-30 days, 31-60 days, 61-90 days, 91-120 days and over 120 days. Receivables categorized as 1-30 days are considered due and current, but not past due.

Accounts past due at year-end 2006 total \$1.4 billion, or 13 percent of total receivables. Accounts past due at year-end 2005 total \$1.4 billion, or 15 percent of total receivables. Most receivables at year-end 2006 are over 120 days old: \$824 million or 59 percent. The Department of Revenue, UNC Hospitals and the Department of Health and Human Services account for \$548 million or 66 percent of receivables over 120 days old. Appendix A details aging amounts by agency for fiscal 2006. Exhibit 2 summarizes aging amounts for fiscal years 2006 and 2005:

Exhibit 2



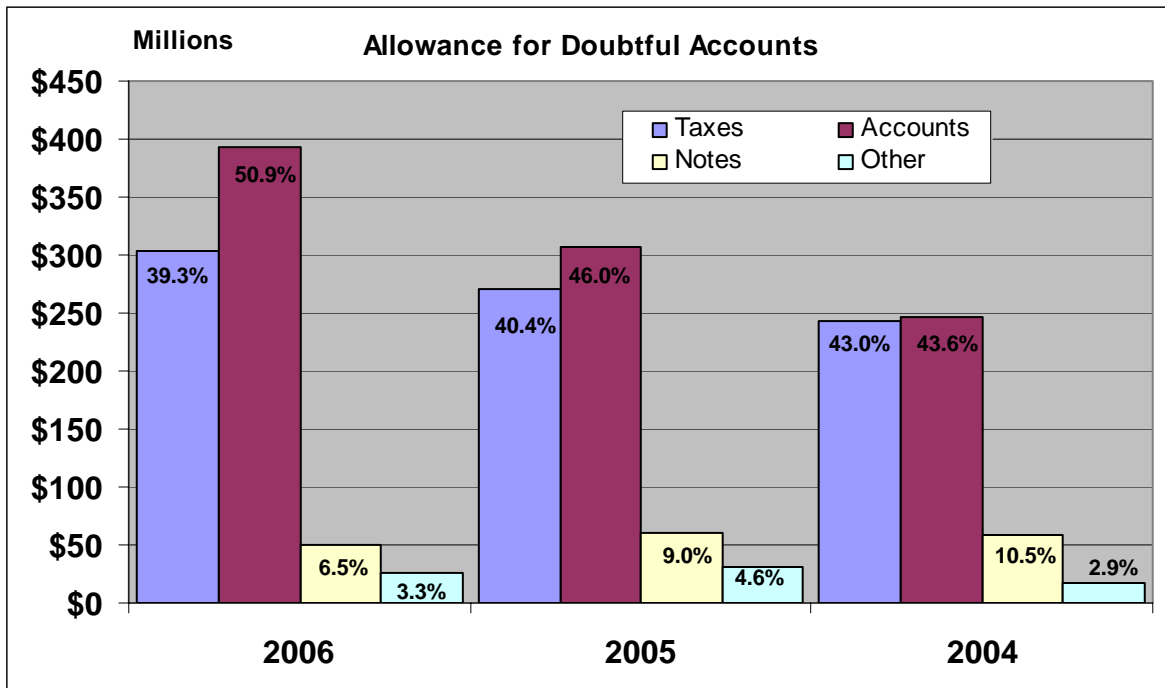
ACCOUNTS RECEIVABLE OVERVIEW

Allowance for Doubtful Accounts

The allowance for doubtful accounts is an estimate by agencies of uncollectible receivables. An agency must provide realistic estimates of, and properly account for, doubtful accounts. They also must provide adequate documentation of the methodology used (e.g., allowance method, direct write-off method, etc.) to estimate doubtful accounts.

Agencies estimate that \$772 million, or 7 percent of total receivables at year-end 2006, are not collectible. Agencies also estimated that \$668 million, or 7 percent of total receivables at year-end 2005 are not collectible. Like past due receivable amounts, the Department of Revenue, UNC Hospitals and the Department of Health and Human Services account for the majority of estimated uncollectible receivables at year-end 2006: \$558 million or 72 percent. Appendix A details by receivable type agency estimates of uncollectible receivables. Exhibit 3 summarizes agency estimates by receivable type for fiscal years 2006, 2005 and 2004.

Exhibit 3



ACCOUNTS RECEIVABLE OVERVIEW

Write-offs

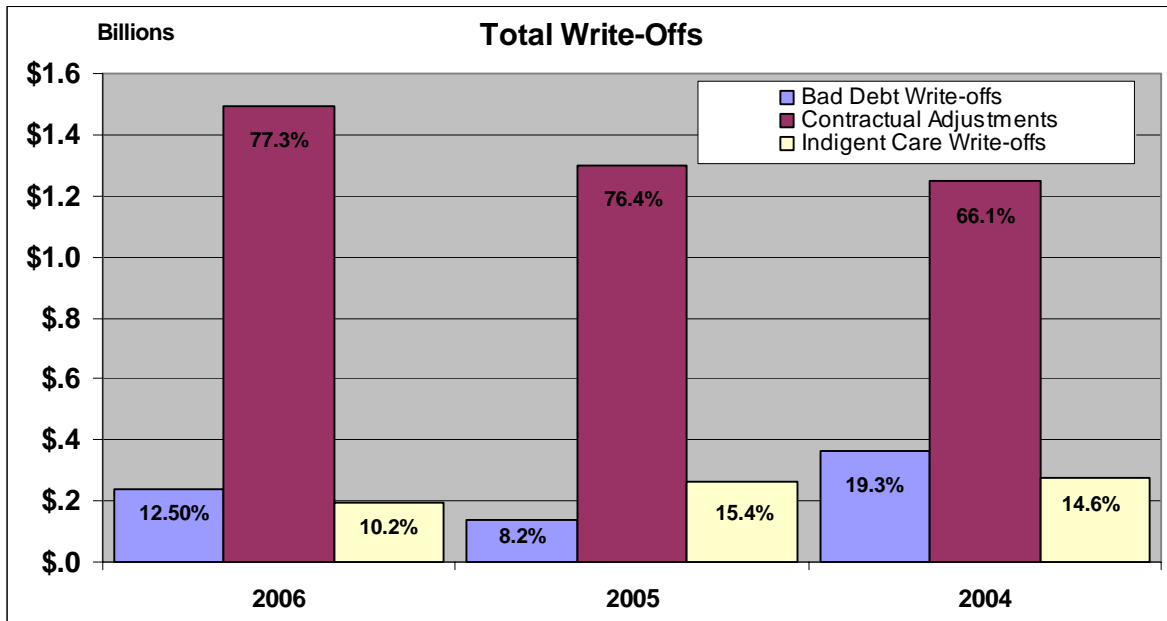
Write-offs are receivables that agencies will not, or most likely will not, collect and have deducted from their accounting records. Write-offs are caused by either bad debt adjustments (unsuccessful collection efforts), contractual adjustments or indigent care adjustments. Write-offs for year-end 2006 totaled \$1.9 billion consisting of \$242 million for bad debt, \$1.5 billion for contractual adjustments and \$197 million for indigent care. Total write-offs for 2006 increased by \$227 million, or 13 percent, over 2005.

Contractual adjustments account for the largest portion of write-offs, 77 percent at year-end 2006. Contractual adjustments increased by 15 percent over 2005. Indigent care adjustments account for 10 percent of total 2006 write-offs and decreased by \$65.8 million, or 25 percent, when compared to the prior year. Bad debt adjustments account for 13 percent of write-offs during 2006 and increased by \$101 million from the prior year, largely due to an increase in bad debt write-offs by the Department of Revenue.

UNC Hospitals, including Rex Healthcare, reported to the Office of State Controller a write-off of \$1.2 billion of receivables based on Medicare and Medicaid adjustments, indigent care provider adjustments, and managed care contractual adjustments. In addition, \$124 million of receivables associated with the patient accounts at mental health institutions across the State were written-off by the Department of Health and Human Services. Contractual adjustments of another \$293 million for Medicare and Medicaid, the Workers' Compensation Program, indigent care, and bad debt receivables were written-off by the UNC-CH Physicians and Associates operation and the UNC-CH School of Dentistry.

Appendix A details by receivable type total agency write-offs during fiscal 2006. Exhibit 4 summarizes agency write-offs by type for fiscal years 2006, 2005 and 2004:

Exhibit 4



Contractual Adjustments - The differences between revenue at established rates and the amounts realizable from third-party payers under contractual agreements. These adjustments are made to customer, patient, or business accounts as the result of a contractual agreement to provide certain services or products at a previously negotiated price. The contractual adjustment is the difference between the value assigned by the state provider/supplier of the product or service and the predetermined price as negotiated with a third-party payer (example: insurance company).

ACCOUNTS RECEIVABLE OVERVIEW

Indigent Care Adjustments - The differences between revenue at established rates and the amounts realizable from the financially responsible party for those receiving the state product or service. In this instance, the write-off is the result of the financially responsible party being unable to meet the financial obligations due to poverty or a lack of subsistence.

Bad Debt Adjustments - All write-offs of bad debts other than those for contractual or indigent care reasons.

Cost of Collection

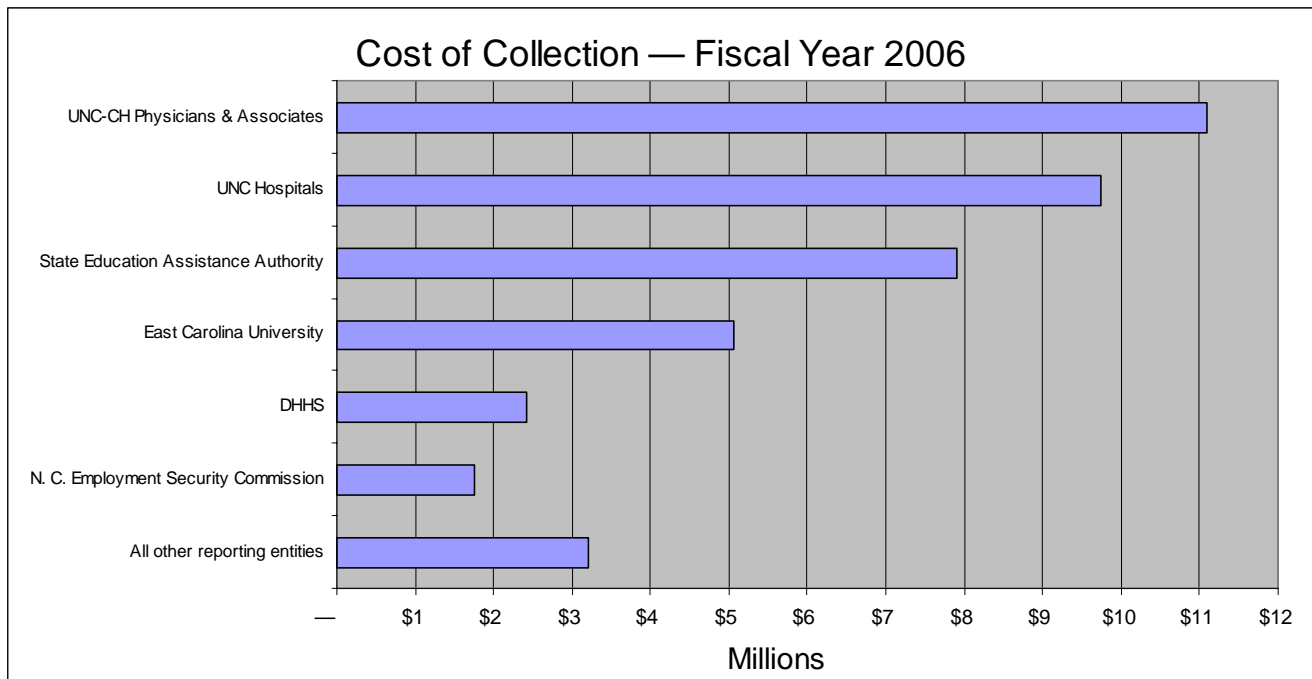
State agencies, excluding the Department of Revenue, reported to the Office of State Controller collection activity costs totaling over \$41 million dollars during 2006. (Appendix B provides in a note the Department of Revenue's explanation for its inability to report collection costs.) Agencies also reported the full-time equivalent (FTE) of state employees dedicated to receivable activities during 2006, a total of 559. A large percentage of total collection costs and FTE reported by state agencies is attributable to patient accounts and student accounts, including student loans.

UNC Hospitals, part of the UNC Health Care System, reported 2006 collection costs of \$9.8 million, or 24 percent of total state collection costs, and FTE of 185. The UNC-CH Physicians and Associates, also part of the UNC Health Care System, reported collection costs of \$11.1 million, or 27 percent of total state collection costs, and FTE of 156. East Carolina University reported collection costs of 3.5 million for its medical faculty practice and FTE of 63.

Regarding student loans, the State Education Assistance Authority reported that loan administration and collection are out-sourced for a cost of \$7.9 million for 2006 and zero FTE, or 19 percent of total state collection costs.

Appendix B details by agency the collection costs and the FTE of state employees dedicated to collection. Exhibit 5 summarizes by agency collection costs.

Exhibit 5



ACCOUNTS RECEIVABLE OVERVIEW

Collection Activity – Attorney General

State agencies are required by statute to turn over unpaid billings to the Attorney General for collection no more than 60 days after the due date of the billing. The North Carolina Department of Justice then sends a letter to debtors demanding payment. If payment is not made within 60 days, the department recommends to agencies that unpaid billings be submitted to a collection service. On August 1, 2006, the department renewed contracts with seven collection agencies.

During calendar year 2006, a total of \$11.9 million was submitted to the Attorney General for collection on behalf of state agencies. During fiscal year 2006, \$29.3 million was submitted by state agencies to collection agencies, and \$6.5 million was collected at a cost of \$1.1 million.

Setoff Debt Collection Activity – Department of Revenue

The North Carolina Department of Revenue administers the State's Setoff Debt Collection Program pursuant to Chapter 105A of North Carolina General Statute. This Chapter requires state agencies to cooperate in identifying debtors who owe money to the State and who qualify for refunds from the Department of Revenue.

Setoff collections totaled \$38.2 million during calendar 2006, a 9 percent increase over the prior year. Collections have increased over the past five years by \$15.8 million or 70 percent. The increase in collections is attributable to an increase in the number of setoffs. The number of completed setoffs totaled 172,000 in fiscal 2006, a 7 percent increase over the prior year. Completed setoffs increased over the last five years by over 70,000 or 69 percent.

To recover the costs incurred by the Department in collecting debts under this Chapter, the statute requires a fee of \$5.00 be imposed on each debt collected. The Department must collect this fee as part of the debt and retain it. During calendar 2006, a total of \$865,000 was imposed by the Department.

Table 2 summarizes setoff activity for the prior five calendar years:

**Table 2
Setoff Debt Activity for Calendar Years 2002-2006**

Setoff Debt Occurs in Calendar Year	Tax Year 2005 2006	2004 2005	2003 2004	2002 2003	2001 2002
Gross Amount of Refunds Setoff	\$38,222,241	\$34,982,536	\$30,182,268	\$22,545,441	\$22,452,410
Collection Assistance Fee Applied					
Based on Prior Year Actual Expenses	(864,931)	(665,191)	(478,859)	(324,251)	(301,839)
Net Amount of Refunds Paid to Claimant Agencies	<u>\$37,357,310</u>	<u>\$34,317,346</u>	<u>\$29,703,410</u>	<u>\$22,221,190</u>	<u>\$22,150,571</u>
DOR Administrative Expenses - Current Year	\$429,210	\$460,429	\$443,959	\$447,671	\$442,834
Total Setoffs (includes completed, denied and canceled setoffs)	180,207	167,723	142,320	104,608	106,006
Number of Completed Setoffs	172,907	161,749	136,685	101,125	102,426
Average Gross Setoff Amount	\$221.06	\$216.28	\$220.82	\$222.95	\$219.21
Average Cost per Setoff	\$2.38	\$2.75	\$3.12	\$4.28	\$4.18
Average Net Amount of Refunds Setoff	\$216.05	\$212.16	\$217.31	\$219.74	\$216.26

ACCOUNTS RECEIVABLE OVERVIEW

Agency Compliance with Statewide Accounts Receivable Program

For fiscal year 2006, the Office of the State Controller (OSC) required each state agency to complete a management representation signed by the agency's chief executive officer and chief financial officer. All state agencies returned a signed letter representing:

- Management is responsible for complying, and has complied, with requirements of Article 6B of Chapter 147 and Chapter 105A of the North Carolina General Statutes.
- Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance with the requirements of Article 6B of Chapter 147 and Chapter 105A of the North Carolina General Statutes.
- Information submitted to the Office of the State Controller for preparation of the *Statewide Accounts Receivable Report* is materially correct and verifiable to agency records.

However, OSC monitoring of receivable policies submitted by agencies as part of their cash management plan indicates areas of potential noncompliance with statutory requirements. We are concerned that some state agencies may not be submitting debt to the Setoff Debt Collection Program operated by the Department of Revenue. All agencies are required by law to participate unless exempted.

Also, a survey of state agencies was made by OSC as part of an internal study of its administration of the statewide accounts receivable program. (This study is further discussed on page 10, and Appendix C provides a complete summary of survey results.) The survey, though not specifically designed to determine agency noncompliance, also indicates areas of concern such as:

- More than a third of general government agencies, component units and universities (survey respondents) reported that they had not submitted their internal receivable policies and procedures to the Office of State Controller for review. (Submission by agencies and review by OSC is required by law.)
- Two-thirds of respondents do not charge interest and a penalty on past-due accounts. (Charging interest and a penalty required by law.)

The ability to charge interest and penalty on past due accounts receivable is a manual process that is not supported by some billing and accounts receivable systems currently operating within state government. The future BEACON (Building Enterprise Access for NC's Core Operation Needs) business infrastructure will have the ability to calculate interest on past due accounts. Since the current process is manual and does not interface with any financial system, many state agencies choose not to charge interest or assess penalties. Furthermore, the East Carolina University School of Medicine reports on its website that medical industry standards and many managed care plans dictate that past due medical accounts should not be charged interest. Also, House Bill 646 filed in the 2007 Session of the North Carolina General Assembly would allow UNC Hospitals and UNC Physicians and Associates to waive the obligation to charge interest on delinquent patient accounts. This legislative action was requested by the UNC Health Care System.

Further evaluation by OSC of the above survey responses, statutory requirements and associated statewide policies will be performed so that OSC and state agencies take the necessary actions to ensure compliance and improve program performance.

ACCOUNTS RECEIVABLE OVERVIEW

Current OSC Initiatives

In prior years, OSC has supported reviews of the statewide accounts receivable program. While the results suggested methods to strengthen the program, funding was required and often not available. During the current fiscal year, the Office of the State Controller took a proactive approach in the evaluation of the current program. An internal study of the statewide accounts receivable program was performed by OSC's Risk Mitigation Services section. OSC also began the documentation and development of a Vendor Setoff Debt Collection Program designed to compliment the Setoff Debt Collection Program operated by the Department of Revenue.

Vendor Setoff Debt Collection Program

G.S. 147-86.25 directs the State Controller to implement a statewide setoff collection program to provide for collection of accounts receivable written off. The accounts receivable written off are to be set off against payments the State owes to debtors, other than individual income tax refunds and payroll. OSC will begin the vendor setoff program with agencies utilizing the North Carolina Accounting System. The program will allow for agencies to inform OSC of the accounts receivable written off. The information is compared to the nightly vendor payment files for potential setoff of debt. OSC is currently in the design and documentation phase with anticipated completion during the 2007 calendar year. With the implementation of the vendor setoff debt collection program, the collection efforts of written off receivables will significantly strengthen. This program, which will setoff debt against vendor payments in NCAS, compliments the setoff programs operated by the Department of Revenue against individual income tax refunds and by the North Carolina Education Lottery against lottery game winnings.

Study of the Statewide Accounts Receivable Program

During the current fiscal year, the State Controller requested an internal study of the statewide accounts receivable program. The study was performed by the Risk Mitigation Services section of the OSC. The purpose of the study was to assess the program's compliance with applicable legislation and to suggest improvements when considered necessary. The internal study reported improvement opportunities in four broad areas:

- Accounts receivable standards and compliance.
- Statewide monitoring.
- Analysis, review and reporting.
- Utilization of technology.

As part of the study, the Risk Mitigation Services section conducted a statewide survey of all agencies, universities, community colleges, boards and commissions and component units. Eighty-seven percent of the state agencies returned a completed survey. The results of the survey are summarized in Appendix C. Excerpts from the survey which indicate areas for follow-up and possible responsive action are:

- Three-quarters of survey respondents were not aware of any efforts by OSC to monitor their receivable activities. A similar percentage of respondents responded "no" to a question asking if OSC could improve its monitoring efforts. (Monitoring required by law.)
- Three-quarters of respondents indicated that OSC has not coordinated information systems and procedures between agencies to maximize the collection of past-due receivables. More than half of respondents indicated there is a need for coordination. (Coordination by OSC required by law.)

ACCOUNTS RECEIVABLE OVERVIEW

- Over 90 percent of respondents indicated statewide policies should address contractual write-offs, for example, at state hospitals. (Contractual write-offs currently not addressed. Adopting statewide policies by OSC required by law.)
- Almost 40 percent of respondents including community colleges indicate that a condition of payment by electronic payment should not be receipt of the full amount of the receivable owed. (Full amount required by law.)
- Almost 90 percent of respondents including community colleges indicated that a debtor should not be required to pay a fee to make an electronic payment. (Some agencies charge a fee as permitted by law.)
- Thirty-five percent of respondents indicate there is no benefit to consult with the Joint Legislative Commission on Governmental Operations before implementing a program to accept electronic payments. (Consultation required by law.)
- Over 80 percent of respondents do not believe the State should implement a debt setoff program to reduce payments by agencies to a debtor. (Vendor setoff program required by law.)
- Almost 100 percent of respondents believe setoffs should not be limited to individuals but should include other debtors such as a firm, a partnership or a corporation. (Setoff program administered by the Department of Revenue is limited by law to individual income tax refunds.)
- Almost 50 percent of respondents indicated debtor information collected by other agencies should be made available to them for skip-tracing purposes through a central source. (A central source does not exist. Law provides that OSC establish procedures to give OSC access to information of a state agency that could assist another state agency in collection of accounts receivable.)

Noted through OSC's monitoring efforts is the inconsistent use by agencies of electronic payment for receivable collection. A primary agency concern is the statutory requirement that "A condition of payment by electronic payment is receipt by the appropriate state agency of the full amount of the account receivable owed to the State agency." While agencies receive funds electronically, agencies contend the requirement for the debt to be paid in "the full amount" restricts the use of electronic payments in the receivables area. As indicated in the survey results above, 40 percent of respondents indicate that a condition of payment should not be receipt of the full amount of the receivable owed. State agencies would like the ability to accept electronic payments for partial payments, in addition to full payment, on account.

With the movement to a new business infrastructure solution for state government, we will have the opportunity to address some of these concerns. During this process, OSC will determine current business practices that will enable state agencies to manage accounts receivable in an efficient and effective manner consistent with law.

CONCLUSION

Future Pathway

Building Enterprise Access for NC's Core Operation Needs (BEACON) is a statewide effort to transform the way North Carolina State Government does business by modernizing and standardizing key business functions. SAP's Enterprise Resource Planning software solution will be implemented to achieve the goals of BEACON. There are numerous statewide systems that will be impacted by BEACON including the North Carolina Accounting System. The account receivable module of the current system is used by a limited number of state agencies. As documented in the study of the statewide accounts receivable program, state agencies are left to create accounting documents to comply with policies and legislation. There is a lack of standardization. The SAP software will allow for that standardization and assist agencies in the management of their accounts receivable. The financial reporting system has an accounts receivable module that automatically creates billings, payment reminders and overdue notices. The module can be set to automatically create overdue letters and reports of payments due and past due. All of these functions are currently performed manually by agency personnel without system support. The automated processes and reporting supported by the SAP software will allow for more centralized reporting and enhance the ability of OSC to perform the statewide monitoring required by GS 147-86.22 (a) (1). The process of accurate, concise and comparable accounts receivable reporting lies within the future of BEACON.

APPENDICES

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Receivable Summary Report
Fiscal Year Ended June 30, 2006
(Dollars in Thousands)

	Current	Past Due Receivables(Days)				Total	Allow. for Doubtful Accounts	Receivables Net of Allow. for Doubtful Accounts	Total Write-offs
	1-30	31-60	61-90	91-120	Over 120				
Taxes Receivable									
Revenue ¹	\$21,049	\$26,102	\$37,169	\$16,814	\$385,910	\$465,995	\$ —	\$487,044	\$109,535
Revenue-CAFR ²	1,800,664	—	—	—	—	—	(296,894)	1,503,770	—
DOT	151,995	—	—	—	—	—	(6,834)	145,161	—
DENR	2,318	—	—	—	—	—	—	2,318	—
Total	1,976,026	26,102	37,169	16,814	385,910	465,995	(303,728)	2,138,293	109,535
% of Total	80.92%	1.07%	1.52%	0.69%	15.80%	19.08%			
Accounts Rec.									
General Assembly	4	—	—	—	12	12	—	16	—
Governor's Office	1,212	—	—	—	—	—	—	1,212	—
Secretary of State	—	12	11	40	45	108	—	108	1
State Auditor	339	—	—	—	—	—	—	339	—
State Treasurer	17,026	—	—	—	—	—	—	17,026	—
DPI	157	—	—	—	—	—	—	157	—
Justice	843	—	—	—	—	—	—	843	—
Agriculture	385	4	16	4	33	57	(29)	413	—
Labor	451	461	250	263	3,276	4,250	—	4,701	134
Insurance	892	72	—	4	—	76	—	967	—
Administration	7,421	533	106	496	54	1,189	—	8,610	—
DOT	6,093	305	37	113	3,593	4,048	—	10,141	1,549
DENR	4,869	30	15	21	74	140	—	5,009	—
Wildlife	699	—	—	—	—	—	—	699	—
ITS	21,548	1,706	432	309	1,822	4,269	—	25,817	32
Correction	2,479	136	54	47	1,051	1,288	(244)	3,523	197
Commerce	6,066	1,118	68	44	463	1,693	—	7,759	16
ESC	5,871	1,179	940	1,195	39,671	42,985	(23,938)	24,917	5,109
UNC Hospitals	181,829	46,281	27,296	18,605	55,053	147,235	(114,600)	214,464	1,230,883
Education Lottery	10,047	—	—	—	—	—	—	10,047	—
DHHS	152,781	53,197	10,626	17,774	101,112	182,709	(146,540)	188,950	132,511
UNC-GA	1,179	—	—	—	—	—	—	1,179	—
UNC-Chapel Hill	71,207	18,852	6,785	6,318	13,529	45,484	(45,296)	71,395	293,469
North Carolina State	25,583	1,182	2,687	244	3,614	7,727	(3,412)	29,898	581
UNC-Greensboro	45,244	118	91	72	682	963	(232)	45,975	88
UNC-Charlotte	8,532	1,198	2,211	—	—	3,409	(117)	11,824	756
UNC-Asheville	13	22	20	327	—	369	(8)	373	45
UNC-Wilmington	1,130	155	50	570	—	775	(71)	1,835	57
East Carolina	19,280	8,034	3,837	3,599	45,382	60,852	(52,183)	27,949	152,393
North Carolina A & T	1,101	1,115	420	122	234	1,891	(1,730)	1,262	556
Western Carolina	960	217	203	1,695	—	2,115	(806)	2,269	3
Appalachian State	2,509	678	130	1,665	833	3,306	(596)	5,219	71
UNC-Pembroke	1,078	135	90	338	394	957	(111)	1,924	127
Winston-Salem State	407	190	135	914	—	1,239	(916)	730	145
Elizabeth City State	173	—	—	—	1,039	1,039	(67)	1,145	77
Fayetteville State	143	96	742	495	1,019	2,352	(1,100)	1,395	—
North Carolina Central	9,059	129	28	3,837	—	3,994	(1,037)	12,016	—
NC School of the Arts	—	—	—	—	15	15	(15)	—	—
Disability Income Plan	9,222	—	—	—	—	—	—	9,222	—
Housing Finance	26,579	—	—	—	—	—	—	26,579	—
State Health Plan	15,514	1,300	—	83	253	1,636	—	17,150	—
NC Ports Authority	3,753	811	278	335	19	1,443	—	5,196	14
SEAA	151,645	—	—	—	—	—	—	151,645	—
General Fund ³	72,752	—	—	—	—	—	—	72,752	—
Total⁴	888,075	139,266	57,558	59,529	273,272	529,626	(393,048)	1,024,653	1,818,814
% of Total	62.64%	9.82%	4.06%	4.20%	19.28%	37.36%			
Intergovernmental									
DPI	15,023	—	—	—	—	—	—	15,023	—
Justice	10	—	24	—	3	27	—	37	—
Agriculture	1,684	—	—	—	—	—	—	1,684	—
Labor	581	—	—	—	—	—	—	581	—

Receivable Summary Report
Fiscal Year Ended June 30, 2006
(Dollars in Thousands)

	Current	Past Due Receivables(Days)				Total	Allow. for Doubtful Accounts	Receivables Net of Allow.	Total Write-offs
	1-30	31-60	61-90	91-120	Over 120			for Doubtful Accounts	
Administration	42	—	—	—	—	—	—	42	—
DOT	44,846	416	(357)	1,025	13,263	14,347	—	59,193	—
DENR	1,659	—	—	—	—	—	—	1,659	—
Wildlife	1,739	—	—	—	—	—	—	1,739	—
Juvenile Justice	1,156	—	—	—	—	—	—	1,156	—
Correction	3,805	257	25	130	1,037	1,449	—	5,254	—
ESC	767	—	—	—	—	—	—	767	—
Revenue	2,434	—	—	—	—	—	—	2,434	—
CC&PS	2,590	—	—	—	—	—	—	2,590	—
DHHS	1,007,345	—	—	—	—	—	—	1,007,345	—
UNC-GA	1,818	—	—	—	—	—	—	1,818	—
UNC-Chapel Hill	2,682	—	—	—	—	—	—	2,682	—
North Carolina State	19,155	2,479	1,862	693	6,586	11,620	—	30,775	—
UNC-Greensboro	1,971	—	—	—	—	—	—	1,971	—
UNC-Charlotte	1,108	—	—	—	—	—	—	1,108	—
UNC-Asheville	212	—	—	—	—	—	—	212	—
UNC-Wilmington	365	11	22	—	30	63	—	428	—
East Carolina	114	23	25	7	77	132	—	246	—
NC A&T	5,606	—	—	—	—	—	—	5,606	—
Western Carolina	1,210	212	60	—	63	335	—	1,545	—
Appalachian State	399	108	21	265	132	526	—	926	—
UNC-Pembroke	486	—	—	—	—	—	—	486	—
Winston-Salem State	976	73	56	18	—	147	—	1,123	—
North Carolina Central	167	74	20	726	35	855	—	1,022	—
Housing Finance	49,265	—	—	—	—	—	—	49,265	—
State Health Plan	13,050	—	—	—	—	—	—	13,050	—
SEAA	22,825	—	—	—	—	—	—	22,825	—
Total	1,205,090	3,652	1,757	2,864	21,226	29,501	—	1,234,591	—
% of Total	97.61%	0.30%	0.14%	0.23%	1.72%	2.39%			
Notes Receivable									
DPI	50,270	—	—	—	—	—	(41,290)	8,980	—
Agriculture	11,350	4	—	109	414	527	—	11,877	—
DOT	(2)	(1)	(3)	(1)	307	302	—	300	—
DENR	643,670	—	—	—	—	—	—	643,670	—
Commerce	216,546	—	—	—	—	—	—	216,546	—
UNC-Chapel Hill	33,708	—	—	—	—	—	(1,291)	32,417	9
North Carolina State	13,008	7	5	14	93	119	(934)	12,193	—
UNC-Greensboro	7,030	—	—	—	1,075	1,075	(257)	7,848	123
UNC-Charlotte	5,590	—	—	—	—	—	(288)	5,302	—
UNC-Asheville	1,188	1	—	2	162	165	(159)	1,194	4
UNC-Wilmington	—	—	—	—	—	—	(525)	(525)	—
East Carolina	11,890	161	104	350	376	991	(682)	12,199	—
North Carolina A & T	1,483	—	—	—	548	548	—	2,030	—
Western Carolina	6,762	10	4	22	94	130	(1,003)	5,889	16
Appalachian State	138	36	42	90	3,877	4,045	—	4,183	8
UNC-Pembroke	10	65	10	67	39	181	(268)	(77)	—
Winston-Salem State	866	—	—	—	566	566	(489)	943	1
Elizabeth City State	—	—	—	—	—	—	(470)	(470)	—
Fayetteville State	237	30	34	38	296	398	(424)	211	—
North Carolina Central	—	—	8	3	3,217	3,228	—	3,228	—
NC School of the Arts	—	—	—	26	7	33	(137)	(104)	—
401(k) Supplemental	159,644	—	—	—	—	—	—	159,644	—
Housing Finance	1,075,608	62,147	35,041	8,485	46,830	152,503	(2,035)	1,226,076	—
SEAA	2,275,350	51,599	33,467	17,970	37,082	140,118	—	2,415,468	125
Total	4,514,346	114,059	68,712	27,175	94,982	304,928	(50,252)	4,769,022	286
% of Total	93.67%	2.37%	1.43%	0.56%	1.97%	6.33%			
Interfund Rec.									
Governor's Office	15,128	—	—	—	—	—	—	15,128	—
State Treasurer	60,190	—	—	—	—	—	—	60,190	—
DPI	3,030	—	—	—	—	—	—	3,030	—

Receivable Summary Report
Fiscal Year Ended June 30, 2006
(Dollars in Thousands)

	Current	Past Due Receivables(Days)					Total	Allow. for Doubtful Accounts	Receivables Net of Allow.	Total Write-offs
	1-30	31-60	61-90	91-120	Over 120	for Doubtful Accounts				
Agriculture	336	—	—	—	—	—	—	336	—	
Insurance	5	—	—	—	—	—	—	5	—	
Administration	2,420	—	—	—	—	—	—	2,420	—	
DOT	79,222	—	—	—	—	—	—	79,222	—	
DENR	1,644	—	—	—	—	—	—	1,644	—	
Juvenile Justice	397	—	—	—	—	—	—	397	—	
ITS	199	—	—	—	—	—	—	199	—	
Correction	6,903	382	257	363	1,193	2,195	—	9,098	40	
Commerce	97	—	—	—	—	—	—	97	—	
ESC	59	—	—	—	—	—	—	59	—	
Revenue	3,738	—	—	—	—	—	—	3,738	—	
Revenue-CAFR	24,528	—	—	—	—	—	—	24,528	—	
Cultural Resources	1,097	—	—	—	—	—	—	1,097	—	
Crime Control	36	—	—	—	—	—	—	36	—	
UNC Hospitals	4,508	—	—	—	—	—	—	4,508	—	
Comm. College Office	26,047	—	—	—	—	—	—	26,047	—	
NCSSM	101	—	—	—	—	—	—	101	—	
DHHS	5,242	—	900	—	—	900	—	6,142	—	
Universities	93,814	—	—	—	—	—	—	93,814	—	
Housing Finance	46,944	—	—	—	—	—	—	46,944	—	
SEAA	26,236	—	—	—	—	—	—	26,236	—	
Total	401,921	382	1,157	363	1,193	3,095	—	405,016	40	
% of Total	99.24%	0.09%	0.29%	0.09%	0.29%	0.76%				
Other Receivables										
State Treasurer	113,133	—	—	—	—	—	—	113,133	—	
DPI	132	—	—	—	—	—	—	132	—	
Agriculture	449	65	—	1	231	297	—	746	29	
DOT	136	—	—	—	—	—	—	136	—	
Wildlife	16	—	—	—	—	—	—	16	—	
ESC	339,673	5,863	1,366	2,396	34,495	44,120	(24,508)	359,285	2,780	
UNC Hospitals	17,683	280	86	501	6,285	7,152	—	24,835	—	
Comm. College Office	—	—	—	—	1	1	—	1	—	
DHHS	826	—	—	—	—	—	—	826	—	
UNC-GA	1,107	—	—	—	—	—	(155)	953	—	
UNC-Chapel Hill	39,550	—	—	—	—	—	(639)	38,911	—	
North Carolina State	2,179	—	—	—	—	—	—	2,179	—	
UNC-Charlotte	2,779	338	167	103	431	1,039	—	3,818	—	
UNC-Asheville	4,673	—	—	—	9	9	—	4,682	—	
UNC-Wilmington	—	—	—	—	—	—	(26)	(26)	—	
North Carolina A & T	23	21	62	76	1,890	2,049	—	2,072	—	
Western Carolina	3,553	17	3	2	—	22	(33)	3,542	—	
Appalachian State	34	9	2	22	11	44	—	78	—	
UNC-Pembroke	95	—	—	—	3,314	3,314	(69)	3,339	—	
Winston-Salem State	738	—	—	—	—	—	—	738	—	
North Carolina Central	26	—	—	—	208	208	(6)	227	—	
SEAA	53,476	656	474	270	595	1,995	—	55,471	—	
General Fund ⁵	12,767	—	—	—	—	—	—	12,767	—	
Total	593,048	7,249	2,160	3,371	47,470	60,250	(25,436)	627,862	2,809	
% of Total	90.78%	1.11%	0.33%	0.52%	7.27%	9.22%				
Total Receivables	\$9,578,506	\$290,712	\$168,513	\$110,116	\$824,053	\$1,393,395	\$(772,464)	\$10,199,437	\$1,931,484	
% of Total	87.30%	2.65%	1.54%	1.00%	7.51%	12.70%				

¹ Assessed taxes receivable.

² Accruals for taxes receivable.

³ Deferred revenue for MSA/Tobacco Settlement.

⁴ Total write-off for AR receivables include contractual adjustments and indigent care write-offs.

⁵ Accrued interest of Treasurer investments.

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Cost of Collection
Fiscal Year Ended June 30, 2006
(Whole Dollars)

<u>Agency Name</u>	<u>Collection Unit</u>	<u>Type of Receivable</u>	<u>Collection Cost</u>	<u>FTE</u>
General Assembly	Financial Services	Accounts Receivable	\$75	0.03
Secretary of State	Budget	Accounts Receivable	46,011	1
State Treasurer	Local Government	Accounts Receivable	3,805	0.1
State Treasurer	Financial Services	Accounts Receivable	808	0.02
N. C. Department of Public Instruction	NCSEAA	Loans Receivable	17,750	0.37
N. C. Department of Public Instruction	NCO Financial	Loans Receivable	268	na
N. C. Department of Justice	Financial Services	Intergovernmental	2,500	0.1
N. C. Department of Justice	Collections Section	Intergovernmental	500	0.05
N. C. Department of Agriculture	First Point	All Receivables	795	na
N. C. Department of Labor	Budget	Accounts Receivable	321,085	3
N. C. Department of Insurance	Risk Management	Accounts Receivable	60,518	2
N. C. Department of Insurance	Agent Services	Accounts Receivable	63,265	2
Department of Administration	Budget	Accounts Receivable	1,000	0.24
N. C. Department of Transportation	Receivables Dept	All Receivables	22,500	2.1
N. C. Department of Transportation	Progressive Financial Services	All Receivables	251,706	na
DENR	Receivables Dept	Accounts Receivable	45,000	1
DENR	Supplies	Accounts Receivable	10,000	na
Wildlife	Receivables Dept	Accounts Receivable	600	0.02
Juvenile Justice	Receivables Dept	Intergovernmental	500	0.02
DHHS-Central Administration	Receivables Dept	Accounts Receivable	30,078	0.65
DHHS-Division of Aging	Receivables Dept	Accounts Receivable	6,941	0.15
DHHS-Division of Child Development	Receivables Dept	Accounts Receivable	50,901	1.1
DHHS-Office of Education	Receivables Dept	Accounts Receivable	18,510	0.4
DHHS-Division of Social Services	Receivables Dept	Accounts Receivable	143,450	3.1
DHHS-Division of Medical Assistance	Receivables Dept	Accounts Receivable	433,877	10
DHHS-Division of Medical Assistance	Receivables Dept	Intergovernmental	43,388	1
DHHS-Division of Blind Services	Receivables Dept	Accounts Receivable	23,137	0.5
DHHS-Division of Facility Services	Receivables Dept	Accounts Receivable	34,706	0.75
DHHS-Division of Vocational Rehab	Receivables Dept	Accounts Receivable	27,764	0.6
DHHS-Division of Pulic Health	Receivables Dept	Accounts Receivable	131,881	2.85
DHHS-DMH/DD/SAS	Central Billing	Accounts Receivable	1,133,401	27
DHHS-DMH/DD/SAS	Revenue Maximization Contract-PCG	Accounts Receivable	285,047	na
DHHS-DMH/DD/SAS	DOR	Intergovernmental	8,375	na
DHHS-DMH/DD/SAS	Receivables Dept	Accounts Receivable	41,647	0.9
ITS	Receivables Dept	Accounts Receivable	64,327	2
N. C. Department of Correction	Correction Enterprise	Interfund	16,727	0.5
N. C. Department of Correction	Correction Enterprise	Intergovernmental	6,138	0.2
N. C. Department of Correction	Correction Enterprise	Accounts Receivable	26,169	1
N. C. Department of Correction	Receivables Dept	Intergovernmental	26,151	1
N. C. Department of Correction	Receivables Dept	Accounts Receivable	10,170	0.3
N. C. Department of Correction	Payroll	Accounts Receivable	7,838	0.2
N. C. Department of Commerce	Receivables Dept	Accounts Receivable	4,249	0.1
N. C. Employment Security Commission	Tax Dept	Tax Receivable	1,140,256	12
N. C. Employment Security Commission	Benefit Payment	Accounts Receivable	615,664	10
Revenue	*See note below			
UNC Hospitals	Patient Accounts	Accounts Receivable	2,643,419	127
UNC Hospitals	Patient Accounts	Accounts Receivable	4,803,000	58
UNC Hospitals	Collection Agency	Accounts Receivable	2,304,000	na
University of North Carolina at Chapel Hill	Patient Accounts	Accounts Receivable	37,420	1
University of North Carolina at Chapel Hill	Collection Agency	Accounts Receivable	37,078	na
University of North Carolina at Chapel Hill	Collection Agency	Accounts Receivable	976	na
University of North Carolina at Chapel Hill	Student Stores	Accounts Receivable	900	0.1
University of North Carolina at Chapel Hill	Student Loans	Loans Receivable	975	0.1
University of North Carolina at Chapel Hill	Student Accounts	Accounts Receivable	22,269	1
University of North Carolina at Chapel Hill	Physicians & Associates	Accounts Receivable	11,097,276	156
North Carolina State University	Non-student	Accounts Receivable	293	0.01
North Carolina State University	Student Loans	Loans Receivable	49,818	1
North Carolina State University	Student Accounts	Accounts Receivable	55,927	1
North Carolina State University	Vet Hospital	Accounts Receivable	1,123	0.02
North Carolina State University	General SODCA Processing	Accounts Receivable	33,049	0.75
University of North Carolina at Greensboro	Immediate Credit Recovery	Accounts Receivable	5,185	na
University of North Carolina at Greensboro	NCO Financial	Accounts Receivable	21,567	na
University of North Carolina at Greensboro	Student Accounts	Accounts Receivable	30,000	1
University of North Carolina at Greensboro	Student Loans	Loans Receivable	66,000	2

Cost of Collection
Fiscal Year Ended June 30, 2006
(Whole Dollars)

<u>Agency Name</u>	<u>Collection Unit</u>	<u>Type of Receivable</u>	<u>Collection Cost</u>	<u>FTE</u>
University of North Carolina at Charlotte	Student Accounts	Accounts Receivable	21,285	1
University of North Carolina at Charlotte	Receivables Dept	Accounts Receivable	37,773	1
University of North Carolina at Asheville	Student Accounts	Accounts Receivable	7,063	0.25
University of North Carolina at Asheville	Student Loans	Loans Receivable	343	0.01
University of North Carolina at Wilmington	Student Accounts	Accounts Receivable	85,093	3
East Carolina University	Collection Agency	Accounts Receivable	908,563	na
East Carolina University	Student Loans	Loans Receivable	145,341	4
East Carolina University	Student Accounts	Accounts Receivable	497,294	8
East Carolina University	Parking	Accounts Receivable	23,664	0.8
East Carolina University	Patient Accounts	Accounts Receivable	3,481,547	63
North Carolina A & T	Student Loans	Loans Receivable	97,000	1
North Carolina A & T	Treasurer Office	Accounts Receivable	348,020	5
North Carolina A & T	Parking	Accounts Receivable	18,071	1
Western Carolina University	Student Accounts	Accounts Receivable	39,104	2
Appalachian State University	Student Loans	Loans Receivable	48,084	2
Appalachian State University	Student Accounts	Accounts Receivable	97,082	3
Appalachian State University	Grants	Intergovernmental	22,000	1
University of North Carolina at Pembroke	Receivables Dept	Accounts Receivable	294,480	7
Winston-Salem State University	NCO Financial	Accounts Receivable	5,380	na
Winston-Salem State University	Student Accounts	Accounts Receivable	73,500	2
Elizabeth City State University	Collection Agency	Accounts Receivable	2,802	na
Elizabeth City State University	Student Accounts	Accounts Receivable	32,049	1.25
Fayetteville State University	Student Accounts	Accounts Receivable	13,833	0.25
Fayetteville State University	Student Loans	Accounts Receivable	16,944	0.25
North Carolina Central University	Student Accounts	Accounts Receivable	300,494	7
North Carolina Central University	Student Loans	Loans Receivable	148,456	4
North Carolina School of the Arts	Student Accounts	Accounts Receivable	8,976	0.5
North Carolina School of the Arts	Student Loans	Loans Receivable	23,163	1
N. C. Housing Finance Agency	Notes/Loans Department	Loans Receivable	78,960	2
Major Medical-State Health Plan	First Point	Accounts Receivable	2,700	na
NC Ports Authority	Receivables Dept	Accounts Receivable	8,141	0.4
State Education Assistance Authority	Out sourcing	Loans Receivable	7,900,000	na
Total			\$41,176,958	

- * The State Controller requested that agencies report the collection cost during fiscal year 2006. The agency responses are disclosed above. However, the Department of Revenue was unable to provide this information. Quoting the Department of Revenue,
"One of the core functions of the North Carolina Department of Revenue is the collection of state taxes owed to the State of North Carolina. Collection activities in the Department are so varied and widespread throughout the agency, that it is not reasonably possible to determine the portion of the Department's budget that is directly and indirectly attributable to the cost of collecting past due taxes (accounts receivables). Nor is it reasonably possible to determine the cost of collecting taxes that have not yet been assigned the status of an account receivable."

Summary Analysis of Surveys

	Community Colleges	General Government	Licensing Boards	Component Units	Universities
1. Agencies responding to survey.					
Yes	58	24	45	7	17
No	0	8	6	6	3
2. Has your agency submitted to OSC its internal accounts receivable policies and procedures for review?	NA				
Yes		17	5	4	12
No		7	39	3	5
3. Has your agency adopted internal policies and procedures for the management and collection of accounts receivable?	NA				
Yes		20	20	6	17
No		4	24	1	0
4. Has OSC discussed with your agency any inconsistencies in your internal policies and procedures with statewide accounts receivable policies and procedures?	NA				
Yes		3	1	1	1
No		21	43	6	16
5. Are there any special circumstances that justify an inconsistency in your internal policies and procedures with statewide policies and procedures?	NA				
Yes		3	2	2	5
No		21	42	4	12
6. Do statewide accounts receivable policies and procedures provide sufficient guidance for your agency to adopt its own internal policies and procedures?	NA				
Yes		24	31	6	16
No		0	13	0	1
7. Do current statewide accounts receivable policies and procedures ensure that your agency takes all costeffective and appropriate actions to collect accounts receivable?	NA				
Yes		23	29	6	16
No		1	15	0	1
8. Should statewide accounts receivable policies and procedures include any special compensation for certain categories of debtors, such as indigent?	NA				
Yes		1	3	0	1
No		23	41	6	16

Summary Analysis of Surveys

	Community Colleges	General Government	Licensing Boards	Component Units	Universities
9. Are you aware of any efforts by OSC to monitor accounts receivable at your agency?	NA				
Yes		3	2	1	6
No		21	42	6	11
10. Can OSC improve its efforts to monitor accounts receivable at your agency?	NA				
Yes		3	1	0	1
No		21	43	6	16
11. Has OSC coordinated information, systems, and procedures between your agency and other agencies to maximize the collection of past-due accounts receivable?	NA				
Yes		3	1	1	4
No		21	43	6	13
12. Does your agency have a current need to coordinate information, etc. as described in question ten above?	NA				
Yes		6	7	2	10
No		18	37	5	7
13. Are statewide policies and procedures for writing off accounts receivable cost-effective?	NA				
Yes		22	30	5	17
No		2	14	1	0
14. Should agencies make efforts to collect accounts receivable after they have been written off?	NA				
Yes		14	25	4	14
No		10	19	2	3
15. Should statewide accounts receivable policies and procedures address contractual writeoffs, for example, at state hospitals?	NA				
Yes		22	28	5	16
No		2	16	1	1
16. Does your agency receive electronic payments for debts owed to it?					
Yes	54	20	13	3	15
No	4	4	31	4	2

Summary Analysis of Surveys

	Community Colleges	General Government	Licensing Boards	Component Units	Universities
17. Do statewide policies and procedures hinder electronic payments for debts owed to your agency?					
Yes	2	2	2	1	1
No	56	22	41	5	16
18. Are there certain conditions that should exist to allow accounts receivable to be payable by electronic payment?					
Yes	9	6	6	0	4
No	49	18	37	6	13
19. Should a condition of payment by electronic payment to your agency be receipt of the full amount of the account receivable owed to your agency?					
Yes	39	16	28	3	8
No	19	8	15	3	9
20. Should a debtor be required to pay a fee to make an electronic payment to your agency?					
Yes	6	2	6	1	4
No	52	22	37	6	13
21. Are there circumstances where it is economically beneficial for the State to pay fees associated with electronic payments rather than an agency?					
Yes	15	5	4	1	7
No	43	19	39	5	10
22. Is there a benefit to your agency to consult with the Joint Legislative Commission on Governmental Operations before implementing a program to accept electronic payments?					
Yes	42	13	15	3	10
No	16	11	28	4	7
23. Do statewide policies and procedures for collection techniques limit your agency's efforts to collect debt?	NA				
Yes		1	1	1	1
No		23	42	6	16

Summary Analysis of Surveys

	Community Colleges	General Government	Licensing Boards	Component Units	Universities
24. Are there collection techniques used by your agency which should be included in statewide policies and procedures?	NA				
Yes		0	1	0	0
No		24	42	6	17
25. Should the State implement a debt setoff program to reduce payments by your agency to a debtor for accounts receivable owed to your agency or to any other State agency?	NA				
Yes		5	1	0	3
No		19	42	6	14
26. Should debt setoffs be limited to individuals (persons) and not include other debtors such as a fiduciary, a firm, a partnership, an association, a corporation, a unit of government, or another group acting as a unit?	NA				
Yes		0	1	1	0
No		24	42	5	17
27. Has your agency been contacted by a third-party, OSC contractor to audit inadvertant overpayments by your agency?	NA				
Yes		9	0	1	7
No		15	43	6	10
28. Are there potential overpayments by your agency that the third-party contractor did not identify?	NA				
Yes		1	0	1	1
No		23	43	6	16
29. Does your agency charge interest on past-due accounts receivable from the date the account receivable was due until it is paid?	NA				
Yes		8	6	4	5
No		16	37	3	12
30. Does your agency add a late payment penalty to past-due accounts receivable?	NA				
Yes		8	18	3	9
No		16	25	4	8

Summary Analysis of Surveys

	Community Colleges	General Government	Licensing Boards	Component Units	Universities
31. Does your agency make efforts to locate debtors (skip trace) when your agency debtor information is not current?	NA				
Yes		19	13	5	17
No		4	30	1	0
32. Should debtor information collected by other agencies be made available to your agency, for skip tracing purposes, through a central source such as the OSC?	NA				
Yes		13	7	1	11
No		10	36	5	6
33. Should reporting requirements (G.S. 147-86.26) of your agency to OSC be revised?	NA				
Yes		3	3	0	4
No		20	40	6	13
34. Does your agency find it difficult to comply with the requirements of the Statewide Accounts Receivable Program?	NA				
Yes		3	5	1	6
No		20	38	5	11
35. Has your agency adopted rules to implement the requirements of the Statewide Accounts Receivable Program, Article 6B of Chapter 147 of the N.C. General Statutes?	NA				
Yes		10	2	2	9
No		13	41	4	8
36. Can current statewide accounts receivable policies and procedures be improved?	NA				
Yes		5	3	1	7
No		18	40	5	10
37. Do you have any other comments to make about the Statewide Accounts Receivable Program?	NA				
Yes		1	5	1	2
No		22	38	5	15