

2017 Debt Collection Summary

(GP: Debt Collection Reports) Each state agency shall provide...a report detailing the amount of its outstanding [aged] debt and all methods it has used to collect that debt. This report is due by the last day of February for the previous calendar year. For purposes of this provision, outstanding [aged] debt means a sum remaining due and owed to a state agency by a nongovernmental entity for more than sixty calendar days.

53

Percent of accounts receivables (A/R) reported by agencies is aged.

59

Agencies reported having aged A/R at 12/31/2017.

>72

Percent of reported aged A/R is attributable to delinquent taxes.

78

Percent of agencies use one or more external methods for collection.

>99

Percent of uncollected aged A/R will pass through external collection methods.

More than
\$31 million
was written off as
bad debt in 2017.

More than a
30% increase
in both total A/R
and aged A/R
reported since 2015.

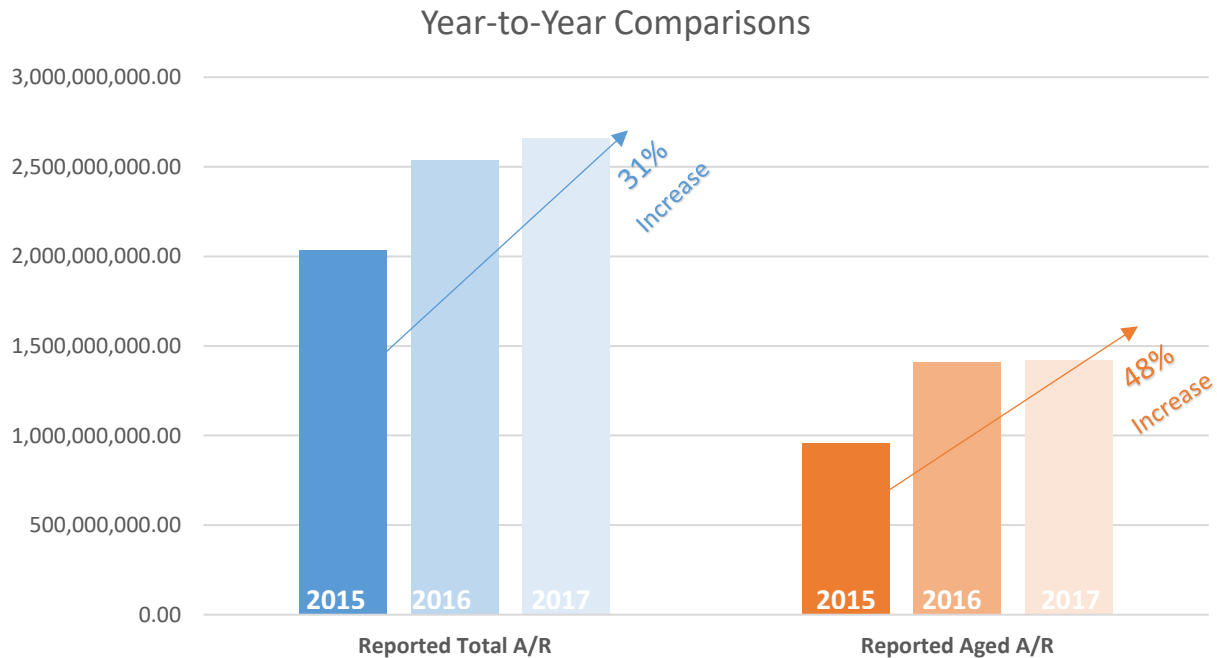
Some agencies are unable to report aged A/R separately from total A/R; therefore, some amounts for aged A/R may be misstated. The variance is immaterial.

*The older the debt,
the more challenging it is to collect.*

2017 Debt Collection Summary

	2015	2016	2017	Change from 2015 to 2017
Reported Total A/R	2,031,708,567.95	2,536,272,636.10	2,658,339,168.01	31% Increase
Reported Aged A/R	958,535,102.89	1,409,998,619.39	1,420,988,705.44	48% Increase

▲ More than a **30% increase** in both total A/R and aged A/R reported since 2015.



Year to Year Comparisons (2015 – 2017)


2017 Debt Collection Summary

Collection Methods Used by Agencies

The following methods/ combination(s) of collection methods...	...are used by the below # of agencies.	Amounts reported for these agencies equals the following:	Total A/R	Aged A/R (Sum >=60 days)	Aged A/R (% of Total A/R)	Aged A/R (% per Coll. Method)
Collection agencies	1		6,327.16	6,175.48	98%	0%
DOR program(s)	16		118,681,742.89	107,638,994.70	91%	8%
Collection agencies and DOR program(s)	11		1,926,226,312.21	1,245,837,256.91	65%	88%
DOR and Worthless check program(s)	3		42,589,311.22	19,418,022.23	46%	1%
Worthless check	2		414,136.65	50,893.28	12%	0%
Collection agencies, DOR and Worthless check programs	13		533,104,421.54	45,663,402.83	9%	3%
In-house methods	13		37,316,916.34	2,373,960.05	6%	0%
Total	59		2,658,339,168.01	1,420,988,705.48	53%	100%

46 agencies

>99%

 The older the debt, the less likely it will be collected. Therefore, those with a higher percentage of aged A/R are potentially less likely to collect on the amounts due.

Methods of Collection on A/R

