



STATE OF NEW YORK  
**EXECUTIVE DEPARTMENT**  
DIVISION OF THE BUDGET  
STATE CAPITOL  
ALBANY, NEW YORK 12224

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<b>BUDGET BULLETIN</b>	<b>K-1002</b>	<b>September 1, 2009</b>
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**TO: ALL DEPARTMENT AND AGENCY HEADS**

**FROM: Robert L. Megna** *Robert L. Megna*

**SUBJECT: Accounts Receivable Survey and Inventory**

Per Section K of the Budget Policy and Reporting Manual, each State agency is responsible for collecting all the revenue to which it is legally entitled. Efficient revenue collection methods minimize the need for additional tax measures to make up for unnecessary loss of income.

Account receivables represent amounts, or claims owed to a State agency by an individual or entity. Fairness and equity demand that State agencies use legitimate and effective methods for collecting accounts receivable. The attached "Accounts Receivable Survey and Inventory" seeks to measure how well the State is meeting its obligation to effectively collect revenue that it is owed, by 1) determining the average age and total amount of receivables owed the State, and 2) identifying methods used by agencies to collect past due, or uncollectible debt.

Agencies are requested to complete each form and e-mail completed documents to Tammie Goodspeed at **Tammie.Goodspeed@budget.state.ny.us** by close of business **September 14, 2009**. A copy of the inventory spreadsheet in both excel formats (.xls and .xlsx) is provided for your convenience. If you have any questions regarding this survey and inventory, please direct them to Karyn Andrade at (518) 486-6635, Tim Eskeli at 474-7571, or Jerry Minot-Scheuermann at (518) 473-3821.

The following guidelines are to help Agency's complete the survey, and to conduct an inventory of their current and past Accounts Receivable.

**Part I: Instructions for Completing Survey:**

1. Please answer all questions.
2. Enter Agency name, assigned agency code, contact name (person responsible for completing report), and contact number.

3. Use the drop down menu in the "Answer" column to respond to "yes" and "no" questions.
4. Use the "Comments" column to further explain answers where necessary.

**Part II: Instructions for Completing Accounts Receivable Inventory Form:**

1. The following information should be based on Agency accounts receivable as of June 30, 2009.
2. Agencies are requested to provide the information at the lowest level of detail available -- ideally, for each individual fee, fine, etc.
3. **Exclude any, and all, Federal Funds from totals being reported.**
4. Exclude any accounts receivable less than 30 days old.
5. Exclude any accounts receivable due to, or from, medical claims and/or medical facilities and institutions.
6. **Column A:** Enter the name of the receipt.
7. **Column B:** Enter the 5-digit OSC object code that corresponds with the receipt.
8. **Column C:** Enter the total amount for all accounts receivable that are between 30 and 180 days past due.
9. **Column D:** Enter the total amount for all accounts receivable that are six months to a year past due.
10. **Column E:** Enter the total amount due for all accounts receivable that are over one year old but less than three years past due.
11. **Column F:** Enter the total amount for all accounts receivable that are over three years past due.
12. **Column G:** Total amount of receivable should equal the sum of Column C through Column F. *The column will automatically total, you do not have to enter data.*
13. **Column H:** Enter the total amount of accounts receivable that the Agency has identified as "uncollectible," and are not included in the total for receivables in Column G. This amount may include accounts receivable that the Agency is/has written off in whole or in part.

**Example 1:** *The Agency is owed \$13,000 by a business entity for services rendered. The business entity fails to pay the debt. The accounts receivable*

*remains open, and on the books. Because Agency collection efforts have failed to secure payment, the Agency considers the \$13,000 debt uncollectible, and/or writes it off.*

**Example 2:** *The Agency issued a “generic fine” of \$5,000 to a business entity in 2006 for being out of code. The business readily fixed the problem, came into code and the Agency never pursued collecting the fine. The agency is still owed the \$5,000 but does not anticipate collection because the business complied with the Agency request to fix the problem. The Agency will either consider the \$5,000 fine uncollectible, and/or write it off.*

14. **Column I:** Use the drop down menu to choose the type of fund the receipt is deposited to -- choose General Fund, Special Revenue Fund, or General and Special Revenue Fund, if receipt is deposited into both accounts.
15. **Column J:** Enter the total receipt projection contained in the current 2009-10 Financial Plan.
16. **Column K:** Enter the portion of total projected receivable that are not included as part of the current 2009-10 Financial Plan.

**Example:** *Agency is projecting receipts of \$5,000,000 for the current fiscal year. Of this total, \$4,500,000 was included in the current 2009-10 Financial Plan (Column J). The difference between what was projected and what was included is \$500,000. Enter the difference (\$500,000) into Column K.*

17. **Column L:** Of the total amount of receivable estimated in Column G, what portion does the agency feel will be collected and/or recovered in out years?

**Example:** *Agency is projecting receivables of \$600,000 (see Column G). Of this, it anticipates \$500,000 will be recovered in fiscal year 2009-10 (Column K). The remaining \$100,000 is assumed to be recovered in later fiscal years. Enter the \$100,000 in Column L.*

18. **Column M:** Enter the total amount of accounts receivable for Fiscal Year 2009-10 (as of June 30, 2009) that was referred to the Department of Law and pending collection (Do not include past amounts that were referred and collected). In this total also include any and all, accounts receivable that were written off by your Agency and also referred out to the Department of Law.

**Example 1:** *Agency fined a business entity and/or individual \$5,000. The business and/or individual failed to pay the fine. The agency referred the debt to the Department of Law for collections.*

**Example 2:** *Agency provided a service costing \$13,000 for a business entity in 2004. The business entity failed to pay the accounts receivable. The Agency*

*considered the debt uncollectible, wrote the debt off its books, and referred it to the Department of Law for possible collection.*

**Your time and efforts in completing this Survey and Inventory is greatly appreciated. Thank You!**

## Account Receivable Survey and Inventory as of June 30, 2009

Agency Name: *Department of Generic Entries*

Agency Code: *1234*

Agency Contact: *John Doe*

Agency Contact Phone Number: *(518) 555-1234*

### PART I: SURVEY

Follow-up Questions	Answer*	Comments
1. Does your agency have a separate debt collection function / unit?	Yes	
2. Does your agency utilize a private collection agency?	No	
3. Does your agency have formal policies and procedures for collection of account receivables?		
4. Does your agency accept credit / debit transactions for payment of receivables?		
5. Has your Agency ever referred a receivable to the Department of Law for collection? <i>If yes, use the comments section to the right to indicate at what aging point the receivable is referred.</i>		<i>Example: Receivables are referred to Dept of Law at age 1yr</i>
6. If Agency does not refer debt to the Dept of Law, please use the comment section to the right to explain why.		<i>Example: Past Due and/or Uncollectible Receivables are not referred to Dept of Law because in-house collection services are sufficient</i>
7. Does your agency collect the following information on <b>individuals</b> that owe the State money? a) Name b) Social Security Number c) Date of Birth d) Address e) Telephone f) Place of Employment		
8. Does your agency collect the following information on <b>business entities</b> that owe the State money? a) Legal Business Name b) Employer Id. Number c) Business Address d) Official Business e) Name of Authorized f) Title of Authorized g) Telephone Number of		
9. Does the agency ever write debt off? If yes, use the comments section to the right to indicate at what aging point the receivable is written off.		
10. Is there anything that would prohibit the sale of your agency's debt to an outside collection agency? <i>If yes, use the comments section to the right to explain.</i>		

\*Please note that items shaded in blue must be answered by using the drop-down boxes provided (click on the cell to activate the drop-down box.)

