

Submitted: July 16, 2007
Approved: August 2, 2007

**Recommendation #6: Offsetting expenses associated with accounts receivable
collection costs with tuition revenue**
Issue number: T-07

Background

Accounts receivable collection activity is primarily performed in-house by staff within the Accounts Receivable Office. However, outside collection agencies have historically been used for collecting severely delinquent receivables. As part of their service fee structure, these collection agencies ultimately retain a percentage of the tuition money that is collected.

Traditionally, these collection costs have been centrally managed and have been offset against collection of prior-year tuition revenue.

Recommendation

Recommended that collection costs incurred from the use of outside collection agencies continue to be managed centrally and that all costs be off-set against prior-year collection of tuition revenue.