

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**  
**Consent**

**AGENDA ITEM: 5 – X**  
**DATE: December 13-14, 2023**

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**SUBJECT**

**Student Accounts Receivable Report**

**CONTROLLING STATUTE, RULE, OR POLICY**

[BOR Policy 5.5](#) – Tuition and Fees General Procedures

[BOR Policy 5.21](#) – System Collection Policy

[SDCL 1-55](#) – Obligation Recovery Center

[ARSD 10.11](#) – Obligation Recovery Center

**BACKGROUND / DISCUSSION**

A report on outstanding student receivables is presented to the Board annually. While debt can be taken off the books, the debt remains on the students’ record indefinitely. It should be noted that the receivables represent less than 1% of total student revenues for years FY18 through FY23. According to a 2023 NACUBO survey, nationally 34% of students had unpaid balances at the end of FY22, with the dollars outstanding representing 3.6% of the total dollars invoiced.

There are a number of reasons a student might owe the institution money and the account would go into collection. Not all students have their financial aid in place when they start school. Students may be admitted assuming they will have sufficient aid or family contribution, and in the end, they are short. Students who pay most of their bill are usually retained, but if they do not return the next term, they may end up with an amount due. Students who incur fines and fees throughout the semester may not have funds to pay until the following semester. Again, if they do not return the following term, they end up owing money. There are many circumstances that arise, and the campuses have discretion to manage the exceptions.

A common way to gauge receivables is to compare them with the total dollars collected. The BOR institutions have excellent collection rates with receivables below the national average. The BOR overall outstanding receivables rate for the five-year period is 1.07% of total student revenues. The table attached identifies the total amounts uncollected for FY2019 through FY2023 and prior as of the end of fiscal year 2023. The receivables amount includes all student debt and includes amounts that have been written off.

(Continued)

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**INFORMATIONAL ITEM**

#### Student Accounts Receivable Activity

Throughout the year the universities use in-house collections, third-party collection agencies for older accounts, and the services of the Obligation Recovery Center (ORC) to collect outstanding student receivables. BOR Policy 5:21 - System Collections, provides that when in-house and Obligation Recovery Center (ORC) collection efforts are exhausted and the account is at least two years delinquent, the account will be submitted to the South Dakota Board of Finance for write-off. Note that the bad debt accounts are written off the financial statements while the receivable remains on the student's account in Student Banner with a HOLD marker.

The period in which institutions submit requests to the Board of Finance varies. The institutions usually submit write-offs annually.

The table in Attachment I shows the dollar amount of receivables the campuses have written off as of 6/30/23. The amounts written off represent less than 1% of the total charges for the fiscal years 2019 through 2023.

#### Obligation Recovery Center Activity

BOR Policy 5:21 - System Collections, provides that when in-house collections have been exhausted, accounts under \$250 may be referred and accounts over \$250 shall be referred to the State of South Dakota's Obligation Recovery Center (ORC) collection efforts. Attachment II summarizes the activity with ORC for the past two fiscal years. ORC has collected 20.28% of the debt they are holding as of 6/30/2023.

The ORC was created to be a central repository for the collection of debts owed to any agency or department of the State of South Dakota. The center works to collect those bad debts and determines the appropriate method of collection through powers granted by codified law. For debt equal to or greater than \$1,000, the center shall provide notice to the licensing agencies that the debtor may not renew, obtain, or maintain any motor vehicle registration, motorcycle registration, boat registration, or driver license unless the debt and cost recovery fee is paid in full or the debtor has entered into a payment plan and the plan remains current. For debt equal to or greater than \$50, the center shall provide notice to the licensing agencies that the debtor may not obtain any hunting or fishing license, or state park or camping permit unless the debt and cost recovery fee is paid in full or the debtor has entered into a payment plan and the plan remains current.

### **IMPACT AND RECOMMENDATIONS**

The BOR institutions have exceptionally good collection rates. The overall outstanding system receivables for the four-year period of FY19 – FY23 is 0.54% of total student charges - \$9,578,954 balance outstanding on \$1,775,609,625 in total charges.

### **ATTACHMENTS**

Attachment I – Student Charges and Outstanding Balances for FY23 and prior  
Attachment II – BOR Activity with ORC for FY22 and FY23

USD	Total Charges	Balance as of 06/30/2019	Percent of Charges Outstanding	Balance as of 06/30/2020	Percent of Charges Outstanding	Balance as of 06/30/2021	Percent of Charges Outstanding	Balance as of 06/30/2022	Percent of Charges Outstanding	Balance as of 06/30/2023	Percent of Charges Outstanding	Accounts	Accounts
												Written Off Included in 06/30/2023 Balance	Submitted to ORC Included in 06/30/2023 Balance
1990 - Spring 2017		\$ 3,035,697	n/a	\$ 3,252,185	n/a	\$ 3,080,096	n/a	\$ 2,967,474	n/a	\$ 2,898,151	n/a	\$ 1,651,205	\$ 1,191,798
Summer 2018 - Spring 2019 - FY19	\$ 109,447,018	\$ 603,673	0.55%	\$ 560,831	0.51%	\$ 447,448	0.41%	\$ 411,351	0.38%	\$ 382,958	0.35%	\$ -	\$ 368,253
Summer 2019 - Spring 2020 - FY20	\$ 104,503,467			\$ 1,085,208	1.04%	\$ 473,383	0.45%	\$ 372,810	0.36%	\$ 321,575	0.31%	\$ 207	\$ 335,978
Summer 2020 - Spring 2021 - FY21	\$ 103,343,607					\$ 1,321,914	1.28%	\$ 631,289	0.61%	\$ 510,936	0.49%	\$ 104	\$ 490,089
Summer 2021 - Spring 2022 - FY22	\$ 104,292,570							\$ 978,838	0.94%	\$ 524,002	0.50%	\$ -	\$ 481,200
Summer 2022 - Spring 2023 - FY23	\$ 107,409,997									\$ 1,090,788	1.02%	\$ -	\$ 230,502
	<b>\$ 528,996,660</b>	<b>\$ 3,639,370</b>		<b>\$ 4,898,224</b>		<b>\$ 5,322,841</b>		<b>\$ 5,361,762</b>		<b>\$ 5,728,411</b>		<b>\$ 1,651,516</b>	<b>\$ 3,097,819</b>

SDSU	Total Charges	Balance as of 06/30/2019	Percent of Charges Outstanding	Balance as of 06/30/2020	Percent of Charges Outstanding	Balance as of 06/30/2021	Percent of Charges Outstanding	Balance as of 06/30/2022	Percent of Charges Outstanding	Balance as of 06/30/2023	Percent of Charges Outstanding	Accounts	Accounts
												Written Off Included in 06/30/2023 Balance	Submitted to ORC Included in 06/30/2023 Balance
1990 - Spring 2017		\$ 3,073,529	n/a	\$ 3,208,270	n/a	\$ 2,919,411	n/a	\$ 2,801,595	n/a	\$ 2,702,850	n/a	\$ 917,209	\$ 1,657,470
Summer 2018 - Spring 2019 - FY19	\$ 143,745,195	\$ 749,798	0.52%	\$ 631,066	0.44%	\$ 477,844	0.33%	\$ 399,359	0.28%	\$ 355,078	0.25%	\$ 2,704	\$ 334,302
Summer 2019 - Spring 2020 - FY20	\$ 134,431,220			\$ 1,904,100	1.42%	\$ 726,058	0.54%	\$ 555,115	0.41%	\$ 452,279	0.34%	\$ 305	\$ 412,959
Summer 2020 - Spring 2021 - FY21	\$ 135,915,139					\$ 1,597,702	1.18%	\$ 716,254	0.53%	\$ 571,967	0.42%	\$ 3,333	\$ 522,419
Summer 2021 - Spring 2022 - FY22	\$ 140,082,009							\$ 1,639,929	1.17%	\$ 751,339	0.54%	\$ -	\$ 521,379
Summer 2022 - Spring 2023 - FY23	\$ 141,732,059									\$ 1,340,437	0.95%	\$ -	\$ 237,934
	<b>\$ 695,905,622</b>	<b>\$ 3,823,327</b>		<b>\$ 5,743,436</b>		<b>\$ 5,721,015</b>		<b>\$ 6,112,254</b>		<b>\$ 6,173,949</b>		<b>\$ 923,550</b>	<b>\$ 3,686,462</b>

DSU	Total Charges	Balance as of 06/30/2019	Percent of Charges Outstanding	Balance as of 06/30/2020	Percent of Charges Outstanding	Balance as of 06/30/2021	Percent of Charges Outstanding	Balance as of 06/30/2022	Percent of Charges Outstanding	Balance as of 06/30/2023	Percent of Charges Outstanding	Accounts	Accounts
												Written Off Included in 06/30/2023 Balance	Submitted to ORC Included in 06/30/2023 Balance
1990 - Spring 2017		\$ 976,039	n/a	\$ 1,115,665	n/a	\$ 1,048,932	n/a	\$ 1,030,071	n/a	\$ 1,006,301	n/a	\$ 380,157	\$ 548,552
Summer 2018 - Spring 2019 - FY19	\$ 27,874,927	\$ 169,630	0.61%	\$ 148,029	0.53%	\$ 123,289	0.44%	\$ 114,291	0.41%	\$ 105,507	0.38%	\$ -	\$ 102,842
Summer 2019 - Spring 2020 - FY20	\$ 28,101,672			\$ 215,138	0.77%	\$ 114,481	0.41%	\$ 90,540	0.32%	\$ 80,582	0.29%	\$ -	\$ 107,360
Summer 2020 - Spring 2021 - FY21	\$ 28,430,434					\$ 397,792	1.40%	\$ 195,253	0.69%	\$ 163,762	0.58%	\$ -	\$ 144,341
Summer 2021 - Spring 2022 - FY22	\$ 29,036,267							\$ 546,644	1.88%	\$ 186,152	0.64%	\$ -	\$ 131,098
Summer 2022 - Spring 2023 - FY23	\$ 29,975,767									\$ 598,690	2.00%	\$ -	\$ 150,787
	<b>\$ 143,419,067</b>	<b>\$ 1,145,669</b>		<b>\$ 1,478,831</b>		<b>\$ 1,684,494</b>		<b>\$ 1,976,799</b>		<b>\$ 2,140,994</b>		<b>\$ 380,157</b>	<b>\$ 1,184,980</b>

NSU	Total Charges	Balance as of 06/30/2019	Percent of Charges Outstanding	Balance as of 06/30/2020	Percent of Charges Outstanding	Balance as of 06/30/2021	Percent of Charges Outstanding	Balance as of 06/30/2022	Percent of Charges Outstanding	Balance as of 06/30/2023	Percent of Charges Outstanding	Accounts	Accounts
												Written Off Included in 06/30/2023 Balance	Submitted to ORC Included in 06/30/2023 Balance
1990 - Spring 2017		\$ 807,665	n/a	\$ 1,000,973	n/a	\$ 941,344	n/a	\$ 918,110	n/a	\$ 906,036	n/a	\$ 623,931	\$ 192,416
Summer 2018 - Spring 2019 - FY19	\$ 20,359,627	\$ 117,847	0.58%	\$ 104,012	0.51%	\$ 82,546	0.41%	\$ 69,480	0.34%	\$ 66,528	0.33%	\$ -	\$ 66,443
Summer 2019 - Spring 2020 - FY20	\$ 18,769,031			\$ 150,883	0.80%	\$ 57,477	0.31%	\$ 48,413	0.26%	\$ 38,692	0.21%	\$ -	\$ 34,905
Summer 2020 - Spring 2021 - FY21	\$ 18,735,299					\$ 170,658	0.91%	\$ 103,001	0.55%	\$ 79,799	0.43%	\$ 32	\$ 75,230
Summer 2021 - Spring 2022 - FY22	\$ 19,466,760							\$ 138,647	0.71%	\$ 81,370	0.42%	\$ 382	\$ 74,803
Summer 2022 - Spring 2023 - FY23	\$ 18,449,450									\$ 150,068	0.81%	\$ -	\$ 60,710
	<b>\$ 95,780,168</b>	<b>\$ 925,512</b>		<b>\$ 1,255,867</b>		<b>\$ 1,252,024</b>		<b>\$ 1,277,650</b>		<b>\$ 1,322,492</b>		<b>\$ 624,345</b>	<b>\$ 504,507</b>

SDSMT	Total Charges	Balance as of	Percent of	Accounts	Accounts								
		06/30/2019	Charges	06/30/2020	Charges	06/30/2021	Charges	06/30/2022	Charges	06/30/2023	Charges	Written Off	Submitted to
			Outstanding	Included in	ORC Included								
												Balance	in 06/30/2023
												Balance	Balance
1990 - Spring 2017		\$ 429,192	n/a	\$ 505,670	n/a	\$ 463,624	n/a	\$ 442,487	n/a	\$ 433,180	n/a	\$ 313,271	\$ 113,668
Summer 2018 - Spring 2019 - FY19	\$ 37,233,584	\$ 73,595	0.20%	\$ 78,906	0.21%	\$ 63,571	0.17%	\$ 85,499	0.23%	\$ 32,099	0.09%	\$ -	\$ 31,877
Summer 2019 - Spring 2020 - FY20	\$ 34,790,716			\$ 254,916	0.73%	\$ 123,099	0.35%	\$ 92,207	0.27%	\$ 83,244	0.24%	\$ -	\$ 83,025
Summer 2020 - Spring 2021 - FY21	\$ 32,021,592					\$ 246,237	0.77%	\$ 57,474	0.18%	\$ 63,393	0.20%	\$ -	\$ 61,188
Summer 2021 - Spring 2022 - FY22	\$ 34,962,549							\$ 114,552	0.33%	\$ 58,649	0.17%	\$ -	\$ 42,381
Summer 2022 - Spring 2023 - FY23	\$ 35,057,552									\$ 176,575	0.50%	\$ -	\$ 43,792
	<b>\$ 174,065,994</b>	<b>\$ 502,786</b>		<b>\$ 839,492</b>		<b>\$ 896,531</b>		<b>\$ 792,219</b>		<b>\$ 847,140</b>		<b>\$ 313,271</b>	<b>\$ 375,931</b>

BHSU	Total Charges	Balance as of	Percent of	Accounts	Accounts								
		06/30/2019	Charges	06/30/2020	Charges	06/30/2021	Charges	06/30/2022	Charges	06/30/2023	Charges	Written Off	Submitted to
			Outstanding	Included in	ORC Included								
												Balance	in 06/30/2023
												Balance	Balance
1990 - Spring 2017		\$ 1,585,270	n/a	\$ 1,717,959	n/a	\$ 1,658,988	n/a	\$ 1,574,702	n/a	\$ 1,543,731	n/a	\$ 866,496	\$ 602,337
Summer 2018 - Spring 2019 - FY19	\$ 29,373,973	\$ 225,481	0.77%	\$ 228,453	0.78%	\$ 186,842	0.64%	\$ 158,818	0.54%	\$ 158,895	0.54%	\$ -	\$ 115,963
Summer 2019 - Spring 2020 - FY20	\$ 28,098,121			\$ 554,742	1.97%	\$ 304,891	1.09%	\$ 245,713	0.87%	\$ 197,386	0.70%	\$ -	\$ 176,063
Summer 2020 - Spring 2021 - FY21	\$ 27,242,037					\$ 745,852	2.74%	\$ 372,495	1.37%	\$ 302,922	1.11%	\$ -	\$ 307,524
Summer 2021 - Spring 2022 - FY22	\$ 26,568,721							\$ 493,600	1.86%	\$ 203,786	0.77%	\$ -	\$ 213,569
Summer 2022 - Spring 2023 - FY23	\$ 26,159,261									\$ 449,496	1.72%	\$ -	\$ 130,581
	<b>\$ 137,442,113</b>	<b>\$ 1,810,751</b>		<b>\$ 2,501,154</b>		<b>\$ 2,896,572</b>		<b>\$ 2,845,328</b>		<b>\$ 2,856,216</b>		<b>\$ 866,496</b>	<b>\$ 1,546,037</b>

SDBOR System	Total Charges	Balance as of	Percent of	Accounts	Accounts								
		06/30/2019	Charges	06/30/2020	Charges	06/30/2021	Charges	06/30/2022	Charges	06/30/2023	Charges	Written Off	Submitted to
			Outstanding	Included in	ORC Included								
												Balance	in 06/30/2023
												Balance	Balance
1990 - Spring 2017	\$ -	\$ 9,907,392	n/a	\$ 10,800,722	n/a	\$ 10,112,395	n/a	\$ 9,734,438	n/a	\$ 9,490,248	n/a	\$ 4,752,269	\$ 4,306,240
Summer 2018 - Spring 2019 - FY19	\$ 368,034,324.31	\$ 1,940,023	0.53%	\$ 1,751,296	0.48%	\$ 1,381,540	0.38%	\$ 1,238,798	0.34%	\$ 1,101,065	0.30%	\$ 2,704	\$ 1,019,679
Summer 2019 - Spring 2020 - FY20	\$ 348,694,228.16	\$ -		\$ 4,164,987	1.19%	\$ 1,799,388	0.52%	\$ 1,404,799	0.40%	\$ 1,173,758	0.34%	\$ 511	\$ 1,150,289
Summer 2020 - Spring 2021 - FY21	\$ 345,688,109.27	\$ -				\$ 4,480,155	1.30%	\$ 2,075,767	0.60%	\$ 1,692,778	0.49%	\$ 3,469	\$ 1,600,792
Summer 2021 - Spring 2022 - FY22	\$ 354,408,876.02	\$ -						\$ 3,912,211	1.10%	\$ 1,805,299	0.51%	\$ 382	\$ 1,464,430
Summer 2022 - Spring 2023 - FY23	\$ 358,784,087.18	\$ -								\$ 3,806,054	1.06%	\$ -	\$ 854,305
	<b>\$ 1,775,609,625</b>	<b>\$ 11,847,415</b>		<b>\$ 16,717,005</b>		<b>\$ 17,773,478</b>		<b>\$ 18,366,013</b>		<b>\$ 19,069,202</b>		<b>\$ 4,759,335</b>	<b>\$ 10,395,736</b>

6/30/2023														
	BHSU		DSU		NSU		SDSMT		SDSU		USD		Total SDBOR	
	# Accts	Total	# Accts	Total	# Accts	Total	# Accts	Total	# Accts	Total	# Accts	Total	# Accts	Total
Debts Referred	138	\$ 352,421	148	\$ 354,313	85	\$ 133,921	59	\$ 107,140	425	\$ 1,198,227	383	\$ 961,553	1,238	\$ 3,107,574
Debts Recalled	13	\$ 40,725	18	\$ 21,258	142	\$ 194,591	8	\$ 50,385	55	\$ 219,626	219	\$ 494,256	455	\$ 1,020,840
Debts Adjusted	626	\$ 7,654	276	\$ 22,397	155	\$ 6,291	132	\$ (3,648)	843	\$ 28,909	918	\$ 5,304	2,950	\$ 66,907
Debts Closed - Deceased	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
Debts Closed - Bankrupt	-	\$ -	1	\$ 6,371	-	\$ -	-	\$ -	-	\$ -	2	\$ 4,095	3	\$ 10,466
Debts Closed - Paid in Full	88	\$ 166,150	60	\$ 98,742	37	\$ 33,977	50	\$ 79,676	156	\$ 388,918	149	\$ 310,055	540	\$ 1,077,517
Payments - Received	980	\$ 196,625	635	\$ 124,086	331	\$ 47,255	194	\$ 56,699	1,489	\$ 422,420	1,843	\$ 399,592	5,472	\$ 1,246,677
Payments - Returned	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	3	\$ (8,583)	3	\$ (8,583)
Payments - Net	980	\$ 196,625	635	\$ 124,086	331	\$ 47,255	194	\$ 56,699	1,489	\$ 422,420	1,840	\$ 391,008	5,469	\$ 1,238,094
Payment Agreements Established	242	\$ 368,831	154	\$ 262,390	82	\$ 104,192	63	\$ 86,613	376	\$ 800,557	486	\$ 816,732	1,403	\$ 2,439,314
<b>Total outstanding balances at ORC as of 6/30/2023</b>	<b>665</b>	<b>\$ 1,546,037</b>	<b>545</b>	<b>\$ 1,184,980</b>	<b>270</b>	<b>\$ 504,507</b>	<b>164</b>	<b>\$ 375,931</b>	<b>1,205</b>	<b>\$ 3,686,462</b>	<b>1,183</b>	<b>\$ 3,097,819</b>	<b>4,032</b>	<b>\$ 10,395,736</b>

6/30/2022														
	BHSU		DSU		NSU		SDSMT		SDSU		USD		Total SDBOR	
	# Accts	Total	# Accts	Total	# Accts	Total	# Accts	Total	# Accts	Total	# Accts	Total	# Accts	Total
Debts Referred	224	\$ 657,477	59	\$ 110,931	46	\$ 86,494	121	\$ 254,136	193	\$ 720,334	319	\$ 868,949	962	\$ 2,698,321
Debts Recalled	23	\$ 43,121	8	\$ 16,659	2	\$ 3,127	26	\$ 58,868	12	\$ 29,382	28	\$ 236,543	99	\$ 387,701
Debts Adjusted	284	\$ 4,879	233	\$ 857	152	\$ 9,315	110	\$ 53,563	505	\$ 12,092	637	\$ (224)	1,921	\$ 80,482
Debts Closed - Deceased	-	\$ -	-	\$ -	1	\$ 1,374	-	\$ -	-	\$ -	-	\$ -	1	\$ 1,374
Debts Closed - Bankrupt	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	2	\$ 5,329	2	\$ 5,329
Debts Closed - Paid in Full	77	\$ 131,003	40	\$ 57,602	32	\$ 32,570	54	\$ 127,241	67	\$ 168,133	139	\$ 213,335	409	\$ 729,884
Payments - Received	804	\$ 139,869	403	\$ 70,364	314	\$ 35,085	200	\$ 56,349	1,065	\$ 236,852	1,555	\$ 254,840	4,341	\$ 793,359
Payments - Returned	-	\$ -	-	\$ -	-	\$ -	-	\$ -	1	\$ (25)	-	\$ -	1	\$ (25)
Payments - Net	804	\$ 139,869	403	\$ 70,364	314	\$ 35,085	200	\$ 56,349	1,064	\$ 236,827	1,555	\$ 254,840	4,340	\$ 793,334
Payment Agreements Established	164	\$ 194,941	110	\$ 120,701	73	\$ 54,678	51	\$ 82,732	171	\$ 373,431	319	\$ 379,238	888	\$ 1,205,720
<b>Total outstanding balances at ORC as of 6/30/2022</b>	<b>737</b>	<b>\$ 1,569,688</b>	<b>550</b>	<b>\$ 1,012,487</b>	<b>292</b>	<b>\$ 413,966</b>	<b>169</b>	<b>\$ 344,091</b>	<b>1,088</b>	<b>\$ 3,213,987</b>	<b>1,226</b>	<b>\$ 2,850,167</b>	<b>4,062</b>	<b>\$ 9,404,387</b>