

BUSINESS AFFAIRS SUB-COUNCIL

AGENDA

January 24, 2017

9:00 a.m.

Conference Room 201

1. Chancellor's Remarks

The Chancellor will address the BASC.

2. Report of the Council of Buyers

The BASC will discuss the following topics from the Council of Buyers meeting:

- Fiscal Review Requirements
- Student/Employee Behavioral Tracking Software
- Updates:
 - Board Portal Software
 - U.S. Bank Agreement

3. Report of the Human Resource Officers Committee

Mrs. Preston will discuss the following topic from the January HR Officers meeting:

- People Admin – Cornerstone Webex

4. Report of the Internal Audit Committee

The BASC will discuss the following topic from the Internal Audit Committee meeting:

- IT Audit Recommendations
- Risk Assessment Process

5. Report of the IT Sub-Council

The BASC will receive an update on IT matters.

6. Travel Policy 4:03:03:00

The committee will discuss revisions to the travel policy due to the removal of the corporate card. (Attachments A and B)

7. Findings and Weaknesses

The committee will discuss the findings/weaknesses included in state audits released in the prior quarter (Attachments C-G)

8. Institutional Vehicles

The committee will discuss the current procedure for getting undercover license plates (instead of the green state vehicle plates).

9. Limited Official Use Findings

The committee will discuss the State's committee and their actions concerning higher education's LOU audit findings.

10. Collection of Accounts Receivable

The committee will discuss thoughts on a contract to outsource pre-collection efforts. (Attachment H)

11. Pearson Presentation – NeSCC Pilot Program

Finance Committee/BASC Agenda Item Template

Description of Issue:

Increase in accounts receivable and ultimately bad debt expense

Related TBR Policy/Guideline:

B010: Collection of Accounts Receivable

Recommended Course of Action (if any):

Contract to outsource pre-collection efforts to Heartland ECSI for their RecoverySelect service. Heartland is an example of studies that have proven that the sooner a debtor is contacted the greater the chances of recovering or recouping the debt. In most cases, Accounts Receivable is the last to be notified of a debt for invoicing. By that time, usually the student has already left campus or even moved. Once the initial invoice has been mailed, collection efforts begin 30 days later, and after 120 days, the account is then assigned to a collection agency. Once assigned, the collection agency begins making calls, sending notifications, skip tracing attempting to locate the students, etc.

With the RecoverySelect service, institutions will be able to implement a process whereby students are contacted earlier with the same ability as a collection agency but with resources not currently at the disposal of the institution. RecoverySelect will enhance collection procedures for the first 120 days before an account is assigned to a collection agency. Additionally, RecoverySelect interacts real time with the institution's ERP system while current collection agency communications are manual updates. RecoverySelect services can also include collection agency placement and management.

The goal is to increase cash flow through a higher rate of debt collection in a timely manner and reduce overall bad debt expense as well as assisting students to repay their debt sooner in a manageable solution in order for them to return to the institution or a sister institution sooner than later in order to reach their educational goals.

In terms of cost, it is anticipated that collection agency costs will be reduced which will transfer cost to the RecoverySelect service but yield a higher return of investment. Attached is the proposal presented to WSCC for reference. The cost presented is a proposal for one institution. If a TBR system agreement is executed, the cost will change and, hopefully, will be reduced.