



State of North Carolina Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

July 27, 2005

MEMORANDUM

TO: Chief Fiscal Officers
Vice Chancellors
Business Managers

FROM: Robert L. Powell
State Controller

SUBJECT: Statewide Accounts Receivable Program

The Office of the State Controller (OSC) has revised the following accounts receivable policies to assist agencies in becoming more aggressive toward debt collection. Please review these carefully at the following address:

http://www.ncosc.net/sigdocs/sig_docs/documentation/policies_procedures/sigAccounts_Receivable00001212.html

Accounts Receivable Policy Overview
Agency-Defined Receivables Systems Policy
Referral to the Attorney General's Office Policy
Past-due Account Collection Guidelines Policy

Beginning July 1, 2005, the OSC will require a quarterly report from each agency in accordance with GS 147-86.26 quoted as follows: "A State agency shall provide the State Controller a complete report of the agency's accounts receivable at least quarterly or more frequently as required by the State Controller. The State Controller shall use the information provided by a State agency and any additional information available to compile a summary report of the agency." No later than forty-five days after the end of the quarter, each state agency will complete an accounts receivable worksheet located at http://www.ncosc.net/05_AgingAR1.xls. The information submitted for the quarter ending June 30 will represent the annual submission of accounts receivable data used to compile the Statewide Annual Accounts Receivable Report. This report will be located on the OSC website under financial reports.

As you are aware, State agencies are required under G.S. 147-86.23 to charge interest and penalty on past-due accounts receivable. A State agency may waive a late-payment penalty under justified

MAILING ADDRESS
1410 Mail Service Center
Raleigh, NC 27699-1410

Telephone: (919) 981-5454
Fax Number: (919) 981-5567
State Courier: 56-50-10
Website: www.osc.state.nc.us

LOCATION
3512 Bush Street
Raleigh, NC

July 18, 2005

Page 2

circumstances. The interest rate charged, determined by the Secretary of Revenue semi-annually, is documented on the Department of Revenue website located at <http://www.dor.state.nc.us/taxes/rate.html>. The stated interest rate for the period July 1, 2005 through December 31, 2005 is five percent (5%).

We challenge each of you to place a greater emphasis during 2005-06 on enforcing the established policies and procedures to closely monitor your agency accounts receivable activity, and to follow best business practices. Through these efforts, along with more aggressive monitoring from the OSC, we believe the State can strengthen the collection efforts of past due accounts receivable. Thank you for your attention to these issues. For further assistance with accounts receivable policy, contact Cindy Salgado, csalgado@ncosc.net, 919-981-5484 or Amber Young, ayoung@ncosc.net, 919-981-5481.

Attachments

rp/cs

NO. SAD 05-44