



STATE OF NORTH DAKOTA
OFFICE OF STATE TREASURER
Kelly L. Schmidt, State Treasurer

Report on Outstanding State Checks

BUDGET SECTION
September 20, 2012

Kelly L. Schmidt
State Treasurer

Chairman Grindberg and members of the committee:

During the 2011 legislative session my office proposed HB 1088 which required the State Treasurer to report, to the Budget Section, the status of outstanding state checks. We requested this requirement in an effort to provide greater transparency of the state's fiscal practices and to promote more efficient and cost effective services.

This requirement provides that the State Treasurer's Office will report to the Budget Section each fiscal year on the status of outstanding state checks between 90 days and three years old. It is our intent to show the legislative body all monies being held in outstanding checks beyond the normal check cashing period (90 days) and before the checks are so old that the funds go to unclaimed property.

These checks represent two things: 1) money which has not been received by the proper recipient or checks that have not been cashed; and 2) the state's money which has not been properly returned to the appropriate funds. Annually, checks over three years old are transferred to the Land Department to be treated as unclaimed property. Our TDOC (Tax Distribution Outstanding Check) system gives state agencies the opportunity to "work" their outstanding check list for the three years between issuance and the transfer to Unclaimed Property. This "work" includes researching the validity of the payment, contacting the intended recipient to discover the reason the check remains outstanding, and determining whether a check should be voided and reissued by check or other methods.

The closer to the date of issue the checks are worked, the more likely a resolution is found. Once a resolution is achieved, money held up by the outstanding check is

received by its rightful owner – either the person deserving the payment or the state. Achieving resolution sooner rather than transferring the money to Unclaimed Property provides a more efficient government, as the money is handled fewer times, less tracking is necessary, and money belonging to the state can be put back to proper use.

For security reasons, we have removed identifying information from each outstanding record and present you with the overview of outstanding checks. What you cannot see from the overview are the opportunities for efficiencies. In a review of the outstanding check reports used to create the attached charts, the opportunity for increased efficiencies in state check practices is striking. In more than one department, there were multiple checks (as many as twenty-eight) issued to the same party that remain outstanding.

In several instances there are two or three checks issued to the same payee, by the same agency, on the same day. The failure to aggregate the dollar amounts and issue a single check is wasteful of state resources.

Each state check issued costs the state anywhere from \$35 to \$55 dollars to create and process the check. Thus, issuing multiple checks (some for less than a dollar) to the same party, letting those checks sit, not aggregating for reissue, etc., has a dramatic effect on the efficiency of the state and the use of those funds. My office will continue to improve the state's check processes, and this report is an additional step toward greater transparency and efficiency.

Outstanding Checks by Number of Records

Kelly L. Schmidt, State Treasurer

Office of State Treasurer

Budget Section
September 2012

Department	Records	Total	FY10	FY11	FY12
Tax Department - 1270	6128	\$ 2,196,477.37	\$ 301,293.72	\$ 958,078.53	\$ 937,105.12
Department of Human Services - 3250	1613	\$ 255,133.91	\$ 30,269.88	\$ 39,128.58	\$ 185,735.45
Game and Fish Department - 7200	1065	\$ 58,467.11	\$ 10,719.77	\$ 28,654.09	\$ 19,093.25
Secretary of State - 1080	762	\$ 29,205.50	\$ 6,104.50	\$ 10,535.50	\$ 12,565.50
Supreme Court - 1800	352	\$ 14,449.35	\$ 3,599.13	\$ 4,147.02	\$ 6,703.20
Adjutant General - 5400	132	\$ 65,651.99	\$ 32,144.59	\$ 10,899.88	\$ 22,607.52
Department of Health - 3010	116	\$ 5,026.71	\$ 256.00	\$ 585.45	\$ 4,185.26
Department of Transportation - 8010	92	\$ 16,696.60	\$ 998.50	\$ 6,648.19	\$ 9,049.91
Job Service North Dakota - 3800	86	\$ 50,828.57	\$ 2,152.67	\$ 4,722.70	\$ 43,953.20
Attorney General - 1250	65	\$ 18,323.84	\$ 1,386.78	\$ 10,331.25	\$ 6,605.81
Land Department - 2260	55	\$ 988,048.12	\$ 3,296.60	\$ 2,866.87	\$ 981,884.65
Department of Public Instruction - 2010	26	\$ 42,202.01	\$ 12,283.19	\$ 18,574.65	\$ 11,344.17
ND Department of Agriculture - 6020	23	\$ 2,702.72	\$ 525.00	\$ 50.00	\$ 2,127.72
Information Technology Department - 1120	19	\$ 1,025.77	\$ 378.60	\$ 215.50	\$ 431.67
Wheat Commission - 6250	18	\$ 6,161.05	\$ 1,062.84	\$ 1,870.66	\$ 3,227.55
Public Employees Retirement System - 1920	12	\$ 5,208.74	\$ 4,607.02	\$ 601.72	\$ -
Dept. of Corrections & Rehabilitation - 5300	11	\$ 22,791.80	\$ 124.92	\$ 22,495.85	\$ 171.03
Workforce Safety & Insurance - 4850	11	\$ 7,546.86	\$ 2,975.25	\$ 313.56	\$ 4,258.05
Council on the Arts - 7090	10	\$ 6,993.00	\$ 1,200.00	\$ 2,075.00	\$ 3,718.00
Insurance Department - 4010	10	\$ 5,783.63	\$ 1,444.53	\$ 1,768.49	\$ 2,570.61
Parks and Recreation - 7500	10	\$ 727.00	\$ 133.00	\$ 70.00	\$ 524.00
North Dakota Highway Patrol - 5040	9	\$ 1,678.38	\$ 690.15	\$ 120.00	\$ 868.23
State Fair - 6650	9	\$ 2,153.60	\$ -	\$ 122.00	\$ 2,031.60
State Historical Society ND - 7010	9	\$ 5,666.00	\$ 4,492.00	\$ 640.00	\$ 534.00
Veterans Home - 3130	9	\$ 3,138.26	\$ 558.03	\$ 102.33	\$ 2,477.90
ND Corn Utilization Council - 6140	8	\$ 21,562.34	\$ 928.15	\$ -	\$ 20,634.19
ND Soybean Council - 6110	8	\$ 1,179.01	\$ 844.31	\$ 210.00	\$ 124.70
OMB - Fiscal Management & Administration -	7	\$ 3,036.02	\$ 1,229.05	\$ 1,306.12	\$ 500.85
North Dakota State Library - 2500	6	\$ 99.64	\$ 48.14	\$ 31.50	\$ 20.00
Seed Department - 6160	6	\$ 280.77	\$ 202.77	\$ 60.00	\$ 18.00
Aeronautics Commission - 4120	5	\$ 1,158.03	\$ -	\$ 600.08	\$ 557.95
Career and Technical Education - 2700	5	\$ 2,846.81	\$ 176.81	\$ 2,400.00	\$ 270.00
Department of Financial Institutions - 4130	5	\$ 2,350.00	\$ 300.00	\$ 650.00	\$ 1,400.00
Water Commission - 7700	4	\$ 84,056.60	\$ 552.00	\$ -	\$ 83,504.60
Cmsn. on Legal Counsel for Indigents - 1880	3	\$ 56.84	\$ 6.84	\$ 50.00	\$ -
Dry Pea and Lentil Council - 6130	3	\$ 8,081.92	\$ 133.59	\$ 7,948.33	\$ -
Industrial Commission - 4050	3	\$ 613.72	\$ 300.00	\$ 13.72	\$ 300.00
Potato Council - 6100	3	\$ 233.00	\$ -	\$ 154.00	\$ 79.00
ND Barley Council - 6260	2	\$ 196.63	\$ 196.63	\$ -	\$ -
ND Department of Commerce - 6010	2	\$ 4,140.00	\$ 4,060.00	\$ 80.00	\$ -
Protection and Advocacy - 3600	2	\$ 745.00	\$ 195.00	\$ -	\$ 550.00
School for the Deaf - 2520	2	\$ 96.20	\$ -	\$ -	\$ 96.20
Beef Commission - 6240	1	\$ -	\$ -	\$ -	\$ 40.80
Department of Labor - 4060	1	\$ 25.00	\$ 25.00	\$ -	\$ -
Grafton Developmental Center - 3100	1	\$ 318.12	\$ -	\$ -	\$ 318.12
ND Racing Commission - 6700	1	\$ 153.11	\$ -	\$ -	\$ 153.11
ND State Hospital - 3120	1	\$ 192.25	\$ -	\$ -	\$ 192.25
North Dakota Legislative Assembly - 1500	1	\$ 25.00	\$ -	\$ 25.00	\$ -
Oilseed Council - 6080	1	\$ 189.53	\$ -	\$ -	\$ 189.53
Securities Department - 4140	1	\$ 125.00	\$ -	\$ 125.00	\$ -
State Treasurer - 1200	1	\$ 105.00	\$ -	\$ -	\$ 105.00
10735	\$ 3,943,953.43	\$ 431,894.96	\$ 1,139,271.57	\$ 2,372,827.70	

Outstanding Checks by Dollar Amount

Kelly L. Schmidt, State Treasurer

Budget Section

Office of State Treasurer

September 2012

Department	Records	Total	FY10	FY11	FY12
Tax Department - 1270	6128	\$ 2,196,477.37	\$ 301,293.72	\$ 958,078.53	\$ 937,105.12
Land Department - 2260	55	\$ 988,048.12	\$ 3,296.60	\$ 2,866.87	\$ 981,884.65
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Water Commission - 7700	4	\$ 84,056.60	\$ 552.00	\$ -	\$ 83,504.60
Adjutant General - 5400	132	\$ 65,651.99	\$ 32,144.59	\$ 10,899.88	\$ 22,607.52
Game and Fish Department - 7200	1065	\$ 58,467.11	\$ 10,719.77	\$ 28,654.09	\$ 19,093.25
Job Service North Dakota - 3800	86	\$ 50,828.57	\$ 2,152.67	\$ 4,722.70	\$ 43,953.20
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ND Corn Utilization Council - 6140	8	\$ 21,562.34	\$ 928.15	\$ -	\$ 20,634.19
Attorney General - 1250	65	\$ 18,323.84	\$ 1,386.78	\$ 10,331.25	\$ 6,605.81
Department of Transportation - 8010	92	\$ 16,696.60	\$ 998.50	\$ 6,648.19	\$ 9,049.91
Supreme Court - 1800	352	\$ 14,449.35	\$ 3,599.13	\$ 4,147.02	\$ 6,703.20
Dry Pea and Lentil Council - 6130	3	\$ 8,081.92	\$ 133.59	\$ 7,948.33	\$ -
Workforce Safety & Insurance - 4850	11	\$ 7,546.86	\$ 2,975.25	\$ 313.56	\$ 4,258.05
Council on the Arts - 7090	10	\$ 6,993.00	\$ 1,200.00	\$ 2,075.00	\$ 3,718.00
Wheat Commission - 6250	18	\$ 6,161.05	\$ 1,062.84	\$ 1,870.66	\$ 3,227.55
Insurance Department - 4010	10	\$ 5,783.63	\$ 1,444.53	\$ 1,768.49	\$ 2,570.61
State Historical Society ND - 7010	9	\$ 5,666.00	\$ 4,492.00	\$ 640.00	\$ 534.00
Public Employees Retirement System - 1920	12	\$ 5,208.74	\$ 4,607.02	\$ 601.72	\$ -
Department of Health - 3010	116	\$ 5,026.71	\$ 256.00	\$ 585.45	\$ 4,185.26
ND Department of Commerce - 6010	2	\$ 4,140.00	\$ 4,060.00	\$ 80.00	\$ -
Veterans Home - 3130	9	\$ 3,138.26	\$ 558.03	\$ 102.33	\$ 2,477.90
OMB - Fiscal Management & Administration -	7	\$ 3,036.02	\$ 1,229.05	\$ 1,306.12	\$ 500.85
Career and Technical Education - 2700	5	\$ 2,846.81	\$ 176.81	\$ 2,400.00	\$ 270.00
ND Department of Agriculture - 6020	23	\$ 2,702.72	\$ 525.00	\$ 50.00	\$ 2,127.72
Department of Financial Institutions - 4130	5	\$ 2,350.00	\$ 300.00	\$ 650.00	\$ 1,400.00
State Fair - 6650	9	\$ 2,153.60	\$ -	\$ 122.00	\$ 2,031.60
North Dakota Highway Patrol - 5040	9	\$ 1,678.38	\$ 690.15	\$ 120.00	\$ 868.23
ND Soybean Council - 6110	8	\$ 1,179.01	\$ 844.31	\$ 210.00	\$ 124.70
Aeronautics Commission - 4120	5	\$ 1,158.03	\$ -	\$ 600.08	\$ 557.95
Information Technology Department - 1120	19	\$ 1,025.77	\$ 378.60	\$ 215.50	\$ 431.67
Protection and Advocacy - 3600	2	\$ 745.00	\$ 195.00	\$ -	\$ 550.00
Parks and Recreation - 7500	10	\$ 727.00	\$ 133.00	\$ 70.00	\$ 524.00
Industrial Commission - 4050	3	\$ 613.72	\$ 300.00	\$ 13.72	\$ 300.00
Grafton Developmental Center - 3100	1	\$ 318.12	\$ -	\$ -	\$ 318.12
Seed Department - 6160	6	\$ 280.77	\$ 202.77	\$ 60.00	\$ 18.00
Potato Council - 6100	3	\$ 233.00	\$ -	\$ 154.00	\$ 79.00
ND Barley Council - 6260	2	\$ 196.63	\$ 196.63	\$ -	\$ -
ND State Hospital - 3120	1	\$ 192.25	\$ -	\$ -	\$ 192.25
Oilseed Council - 6080	1	\$ 189.53	\$ -	\$ -	\$ 189.53
ND Racing Commission - 6700	1	\$ 153.11	\$ -	\$ -	\$ 153.11
Securities Department - 4140	1	\$ 125.00	\$ -	\$ 125.00	\$ -
State Treasurer - 1200	1	\$ 105.00	\$ -	\$ -	\$ 105.00
North Dakota State Library - 2500	6	\$ 99.64	\$ 48.14	\$ 31.50	\$ 20.00
School for the Deaf - 2520	2	\$ 96.20	\$ -	\$ -	\$ 96.20
Cmsn. on Legal Counsel for Indigents - 1880	3	\$ 56.84	\$ 6.84	\$ 50.00	\$ -
Beef Commission - 6240	1	\$ 40.80	\$ -	\$ -	\$ 40.80
Department of Labor - 4060	1	\$ 25.00	\$ 25.00	\$ -	\$ -
North Dakota Legislative Assembly - 1500	1	\$ 25.00	\$ -	\$ 25.00	\$ -
10735	\$ 3,943,994.23	\$ 431,894.96	\$ 1,139,271.57	\$ 2,372,827.70	

Outstanding Checks to be Sent to Unclaimed Property October 2012*, by Dollar Amount and Record
Kelly L. Schmidt, State Treasurer
Office of State Treasurer

Records	Department	Amount
1381	Tax Department - 1270	\$147,115.53
280	Department of Human Services - 3250	\$18,407.99
52	Adjutant General - 5400	\$17,714.61
6	North Dakota State Library - 2500	\$16,551.90
63	Supreme Court - 1800	\$15,137.39
504	Game and Fish Department - 7200	\$12,200.00
32	Job Service North Dakota - 3800	\$7,627.05
209	Secretary of State - 1080	\$6,171.25
2	Water Commission - 7700	\$3,267.68
6	Land Department - 2260	\$3,087.25
24	Attorney General - 1250	\$1,777.00
3	Department of Public Instruction - 2010	\$1,662.50
4	Department of Financial Institutions - 4130	\$1,600.00
13	ND Department of Agriculture - 6020	\$1,566.59
13	Public Employees Retirement System - 1920	\$1,080.48
2	Council on the Arts - 7090	\$1,075.00
1	Aeronautics Commission - 4120	\$464.27
1	North Dakota Highway Patrol - 5040	\$430.00
2	Veterans Home - 3130	\$424.45
8	Department of Transportation - 8010	\$410.65
1	School for the Deaf - 2520	\$369.60
38	Department of Health - 3010	\$273.00
3	Oilseed Council - 6080	\$272.85
1	ND Barley Council - 6260	\$242.65
2	Department of Corrections & Rehabilitation - 5300	\$211.00
3	OMB - Fiscal Management & Administration - 1100	\$176.88
1	Protection and Advocacy - 3600	\$150.00
1	State Fair - 6650	\$138.53
4	Information Technology Department - 1120	\$133.52
1	Workforce Safety & Insurance - 4850	\$120.00
1	ND Corn Utilization Council - 6140	\$119.50
1	Career and Technical Education - 2700	\$100.00
1	Indian Affairs Commission - 3160	\$95.00
2	Grafton Developmental Center - 3100	\$87.50
1	Parks and Recreation - 7500	\$87.50
3	ND Soybean Council - 6110	\$75.00
2	Commission on Legal Counsel for Indigents - 1880	\$60.80
3	Wheat Commission - 6250	\$51.88
2	Department of Labor - 4060	\$27.51
1	North Dakota Legislative Assembly - 1500	\$25.00
1	Industrial Commission - 4050	\$24.36
1	Securities Department - 4140	\$15.00
1	Insurance Department - 4010	\$7.50
2681		\$260,636.17

Records	Department	Amount
1381	Tax Department - 1270	\$147,115.53
504	Game and Fish Department - 7200	\$12,200.00
280	Department of Human Services - 3250	\$18,407.99
209	Secretary of State - 1080	\$6,171.25
63	Supreme Court - 1800	\$15,137.39
52	Adjutant General - 5400	\$17,714.61
38	Department of Health - 3010	\$273.00
32	Job Service North Dakota - 3800	\$7,627.05
24	Attorney General - 1250	\$1,777.00
13	ND Department of Agriculture - 6020	\$1,566.59
13	Public Employees Retirement System - 1920	\$1,080.48
8	Department of Transportation - 8010	\$410.65
6	North Dakota State Library - 2500	\$16,551.90
6	Land Department - 2260	\$3,087.25
4	Department of Financial Institutions - 4130	\$1,600.00
4	Information Technology Department - 1120	\$133.52
3	Department of Public Instruction - 2010	\$1,662.50
3	Oilseed Council - 6080	\$272.85
3	OMB - Fiscal Management & Administration - 1100	\$176.88
3	ND Soybean Council - 6110	\$75.00
3	Wheat Commission - 6250	\$51.88
2	Water Commission - 7700	\$3,267.68
2	Council on the Arts - 7090	\$1,075.00
2	Veterans Home - 3130	\$424.45
2	Department of Corrections & Rehabilitation - 5300	\$211.00
2	Grafton Developmental Center - 3100	\$87.50
2	Commission on Legal Counsel for Indigents - 1880	\$60.80
2	Department of Labor - 4060	\$27.51
1	Aeronautics Commission - 4120	\$464.27
1	North Dakota Highway Patrol - 5040	\$430.00
1	School for the Deaf - 2520	\$369.60
1	ND Barley Council - 6260	\$242.65
1	Protection and Advocacy - 3600	\$150.00
1	State Fair - 6650	\$138.53
1	Workforce Safety & Insurance - 4850	\$120.00
1	ND Corn Utilization Council - 6140	\$119.50
1	Career and Technical Education - 2700	\$100.00
1	Indian Affairs Commission - 3160	\$95.00
1	Parks and Recreation - 7500	\$87.50
1	North Dakota Legislative Assembly - 1500	\$25.00
1	Industrial Commission - 4050	\$24.36
1	Securities Department - 4140	\$15.00
1	Insurance Department - 4010	\$7.50
2681		\$260,636.17

*Outstanding checks issued during fiscal year 09 will be transferred to Unclaimed Property in October of 2012.