



Kelly L. Schmidt
State Treasurer

STATE OF NORTH DAKOTA

OFFICE OF STATE TREASURER

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Report on Outstanding State Checks

BUDGET SECTION

September 24, 2014

Ryan K. Skor
Director of Finance
Office of State Treasurer

Chairman Pollert and members of the committee:

When our office asked the legislature, during the 2011 legislative session, to add the duty of presenting a report on the state's outstanding checks to the Budget Section we hoped for several outcomes. We sought to:

1. Reduce the total number of stale dated checks the state had on its books;
2. Reduce the amount of money the state had tied up in outstanding checks;
3. Get the money to the rightful recipient (or properly returned to the issuing agency) before it must be transferred to Unclaimed Property; and
4. Encourage state agencies to pursue resolution to checks they have outstanding.

We have recently seen significant successes in achieving a number of those outcomes. When comparing the data in this report to the data we provided in last year's outstanding check report, although the total number of outstanding checks has increased, the total dollar amount of those checks have decreased significantly. After seeing an increase in dollar value on our reports from FY 2011 to FY 2012 of 28.84% and 31.97% from FY 2012 to FY 2013, we now can report a decrease in total dollar value of 24.8% from FY 2013 to FY 2014.

We feel that this decrease is in direct response to our efforts to inform agencies of the balance and other pertinent information regarding their outstanding checks. This information is helpful to them as they can then research the check and attempt to get the amounts to the rightful recipient. Or, if it determined that the amounts are no longer

due the payee, the funds can be returned to the issuing agency rather than being transferred to Unclaimed Property.

Though we hoped to have seen a similar reduction in the number of checks outstanding we are confident that the increase in number is due to the overall increase in economic activity rather than a failure of state agencies to pursue resolution of their outstanding checks.

Why is this important?

1. Efficiency – The longer a check goes uncashed the more staff time it takes to research the validity of the payment, find current contact information for the payee, and determine whether the original check must be voided and a replacement check issued;
2. Ensure the money is put to proper use – Either the payee, or the state (in the event a check is issued improperly) can use the funds for a beneficial purpose in a shorter time frame when the checks are cashed more quickly; and
3. Saves the state money in processing costs – A faster resolution of outstanding checks means it is more likely that the payee still has the check in her possession and can cash the check without the state having to reissue a new check.

We will continue to encourage agencies to work their outstanding checks toward the ultimate goal of having no outstanding checks over one year old and no checks transferred to unclaimed property.

Outstanding Checks By Dollar Amount
Kelly L. Schmidt, State Treasurer
Office of State Treasurer

Budget Section
September 2014

Agency/Department	Records	FY 2012	FY 2013	FY 2014	Total
Tax Department - 1270	8540	675,759.83	454,499.79	1,520,565.31	2,650,824.93
Department of Human Services - 3250	1807	20,243.72	49,226.83	323,245.04	392,715.59
Public Service Commission - 4080	4		124,253.17	9,907.54	134,160.71
Land Department - 2260	105	4,850.85	54,370.34	54,817.83	114,039.02
Water Commission - 7700	3	82,117.10		814.96	82,932.06
Adjutant General - 5400	61		29,006.46	40,016.59	69,023.05
Game and Fish Department - 7200	1071	14,153.65	4,754.31	45,995.62	64,903.58
Secretary of State - 1080	1456	8,470.50	29,355.25	25,482.75	63,308.50
Department of Health - 3010	79	342.74	8,389.04	41,442.46	50,174.24
Job Service North Dakota - 3800	116	12,581.01	6,796.26	25,859.94	45,237.21
Department of Transportation - 8010	239	2,140.11	19,566.76	14,755.66	36,462.53
Career and Technical Education - 2700	12		554.00	32,527.00	33,081.00
ND Department of Agriculture - 6020	24	510.00	278.98	27,914.82	28,703.80
Workforce Safety & Insurance - 4850	15	4,258.05	4,786.22	18,802.62	27,846.89
ND Corn Utilization Council - 6140	14	20,634.19	1,949.59	2,809.83	25,393.61
Supreme Court - 1800	427	4,580.96	8,079.74	7,696.40	20,357.10
Department of Public Instruction - 2010	20	11,925.82	145.54	3,117.29	15,188.65
ND Department of Commerce - 6010	4		1,632.00	9,900.00	11,532.00
Attorney General - 1250	84	1,912.00	1,917.63	2,200.41	6,030.04
Seed Department - 6160	6	20.00		5,126.80	5,146.80
Council on the Arts - 7090	7			4,853.00	4,853.00
ND Soybean Council - 6110	5	44.70		3,748.40	3,793.10
Insurance Department - 4010	8	1,044.84	319.18	2,423.00	3,787.02
OMB - Fiscal Management & Administration - 1100	9	392.00	233.59	2,334.94	2,960.53
Department of Corrections & Rehabilitation - 5300	12	153.28	33.02	2,276.99	2,463.29
State Fair - 6650	9	1,934.05	100.00	27.00	2,061.05
Department of Financial Institutions - 4130	3	700.00	700.00	300.00	1,700.00
Dry Bean Council - 6060	3		1,594.41		1,594.41
Parks and Recreation - 7500	12	300.00	107.00	917.07	1,324.07
State Historical Society ND - 7010	10	159.00	785.00	286.54	1,230.54
ND Barley Council - 6260	3		843.14	356.83	1,199.97
Information Technology Department - 1120	26	156.37	559.39	199.00	914.76
Industrial Commission - 4050	3	300.00	464.68		764.68
Beef Commission - 6240	1			750.00	750.00
Veterans Home - 3130	4	474.92		245.85	720.77
North Dakota Legislative Council - 1600	2			715.84	715.84
Dry Pea and Lentil Council - 6130	1			690.88	690.88
North Dakota Department of Veterans Affairs - 3210	1			458.56	458.56
ND Vision Services/School for the Blind - 2530	1			455.57	455.57
North Dakota State Library - 2500	3		296.00	38.75	334.75
Grafton Developmental Center - 3100	1	318.12			318.12
Potato Council - 6100	4	79.00	237.00		316.00
Commission on Legal Counsel for Indigents - 1880	6		237.37	75.00	312.37
North Dakota Legislative Assembly - 1500	4		50.00	180.00	230.00
Department of Labor - 4060	5			193.50	193.50
ND State Hospital - 3120	1	192.25			192.25
Veterinary Exam Board - 6180	1			132.50	132.50
Aeronautics Commission - 4120	2	130.00			130.00
School for the Deaf - 2520	2	46.20		16.00	62.20
ND Racing Commission - 6700	1		41.88		41.88
TOTALS	14,237	870,925.26	806,163.57	2,234,674.09	3,911,762.92

Outstanding Checks By Number of Records
 Kelly L. Schmidt, State Treasurer
 Office of State Treasurer

Budget Section
 September 2014

Agency/Department	Records	FY 2012	FY 2013	FY 2014	Total
Tax Department - 1270	8540	675,759.83	454,499.79	1,520,565.31	2,650,824.93
Department of Human Services - 3250	1807	20,243.72	49,226.83	323,245.04	392,715.59
Secretary of State - 1080	1456	8,470.50	29,355.25	25,482.75	63,308.50
Game and Fish Department - 7200	1071	14,153.65	4,754.31	45,995.62	64,903.58
Supreme Court - 1800	427	4,580.96	8,079.74	7,696.40	20,357.10
Department of Transportation - 8010	239	2,140.11	19,566.76	14,755.66	36,462.53
Job Service North Dakota - 3800	116	12,581.01	6,796.26	25,859.94	45,237.21
Land Department - 2260	105	4,850.85	54,370.34	54,817.83	114,039.02
Attorney General - 1250	84	1,912.00	1,917.63	2,200.41	6,030.04
Department of Health - 3010	79	342.74	8,389.04	41,442.46	50,174.24
Adjutant General - 5400	61		29,006.46	40,016.59	69,023.05
Information Technology Department - 1120	26	156.37	559.39	199.00	914.76
ND Department of Agriculture - 6020	24	510.00	278.98	27,914.82	28,703.80
Department of Public Instruction - 2010	20	11,925.82	145.54	3,117.29	15,188.65
Workforce Safety & Insurance - 4850	15	4,258.05	4,786.22	18,802.62	27,846.89
ND Corn Utilization Council - 6140	14	20,634.19	1,949.59	2,809.83	25,393.61
Career and Technical Education - 2700	12		554.00	32,527.00	33,081.00
Department of Corrections & Rehabilitation - 5300	12	153.28	33.02	2,276.99	2,463.29
Parks and Recreation - 7500	12	300.00	107.00	917.07	1,324.07
State Historical Society ND - 7010	10	159.00	785.00	286.54	1,230.54
OMB - Fiscal Management & Administration - 1100	9	392.00	233.59	2,334.94	2,960.53
State Fair - 6650	9	1,934.05	100.00	27.00	2,061.05
Insurance Department - 4010	8	1,044.84	319.18	2,423.00	3,787.02
Council on the Arts - 7090	7			4,853.00	4,853.00
Seed Department - 6160	6	20.00		5,126.80	5,146.80
Commission on Legal Counsel for Indigents - 1880	6		237.37	75.00	312.37
ND Soybean Council - 6110	5	44.70		3,748.40	3,793.10
Department of Labor - 4060	5			193.50	193.50
Public Service Commission - 4080	4		124,253.17	9,907.54	134,160.71
ND Department of Commerce - 6010	4		1,632.00	9,900.00	11,532.00
Veterans Home - 3130	4	474.92		245.85	720.77
Potato Council - 6100	4	79.00	237.00		316.00
North Dakota Legislative Assembly - 1500	4		50.00	180.00	230.00
Water Commission - 7700	3	82,117.10		814.96	82,932.06
Department of Financial Institutions - 4130	3	700.00	700.00	300.00	1,700.00
Dry Bean Council - 6060	3		1,594.41		1,594.41
ND Barley Council - 6260	3		843.14	356.83	1,199.97
Industrial Commission - 4050	3	300.00	464.68		764.68
North Dakota State Library - 2500	3		296.00	38.75	334.75
North Dakota Legislative Council - 1600	2			715.84	715.84
Aeronautics Commission - 4120	2	130.00			130.00
School for the Deaf - 2520	2	46.20		16.00	62.20
Beef Commission - 6240	1			750.00	750.00
Dry Pea and Lentil Council - 6130	1			690.88	690.88
North Dakota Department of Veterans Affairs - 3210	1			458.56	458.56
ND Vision Services/School for the Blind - 2530	1			455.57	455.57
Grafton Developmental Center - 3100	1	318.12			318.12
ND State Hospital - 3120	1	192.25			192.25
Veterinary Exam Board - 6180	1			132.50	132.50
ND Racing Commission - 6700	1		41.88		41.88
TOTALS	14,237	870,925.26	806,163.57	2,234,674.09	3,911,762.92

Outstanding Checks to be Transferred to Unclaimed Property October 2014* by Dollar Amount and Record
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 Office of State Treasurer

Records	Agency/Department	Amount
1508	Tax Department - 1270	\$ 269,433.31
132	Game and Fish Department - 7200	\$ 27,069.40
4	Department of Corrections & Rehabilitation - 5300	\$ 22,495.85
251	Department of Human Services - 3250	\$ 15,607.73
263	Secretary of State - 1080	\$ 10,123.00
2	Dry Pea and Lentil Council - 6130	\$ 7,948.33
6	Department of Transportation - 8010	\$ 4,886.69
27	Job Service North Dakota - 3800	\$ 2,974.83
2	Career and Technical Education - 2700	\$ 2,400.00
8	Land Department - 2260	\$ 2,301.87
3	Council on the Arts - 7090	\$ 2,075.00
3	Insurance Department - 4010	\$ 1,743.49
47	Supreme Court - 1800	\$ 1,501.79
2	OMB - Fiscal Management & Administration - 1100	\$ 1,306.12
9	Department of Public Instruction - 2010	\$ 824.65
2	Department of Financial Institutions - 4130	\$ 650.00
5	State Historical Society ND - 7010	\$ 640.00
3	Public Employees Retirement System - 1920	\$ 601.72
1	Aeronautics Commission - 4120	\$ 314.08
2	Workforce Safety & Insurance - 4850	\$ 298.56
44	Department of Health - 3010	\$ 285.45
4	Information Technology Department - 1120	\$ 215.50
1	ND Soybean Council - 6110	\$ 210.00
2	Potato Council - 6100	\$ 154.00
1	Securities Department - 4140	\$ 125.00
1	State Fair - 6650	\$ 122.00
2	Veterans Home - 3130	\$ 102.33
1	ND Department of Commerce - 6010	\$ 80.00
2	Seed Department - 6160	\$ 60.00
2	Commission on Legal Counsel for Indigents - 1880	\$ 50.00
2	ND Department of Agriculture - 6020	\$ 50.00
1	North Dakota Legislative Assembly - 1500	\$ 25.00
1	Industrial Commission - 4050	\$ 13.72
2344	TOTALS	\$ 376,689.42

Records	Agency/Department	Amount
1508	Tax Department - 1270	\$ 269,433.31
263	Secretary of State - 1080	\$ 10,123.00
251	Department of Human Services - 3250	\$ 15,607.73
132	Game and Fish Department - 7200	\$ 27,069.40
47	Supreme Court - 1800	\$ 1,501.79
44	Department of Health - 3010	\$ 285.45
27	Job Service North Dakota - 3800	\$ 2,974.83
9	Department of Public Instruction - 2010	\$ 824.65
8	Land Department - 2260	\$ 2,301.87
6	Department of Transportation - 8010	\$ 4,886.69
5	State Historical Society ND - 7010	\$ 640.00
4	Department of Corrections & Rehabilitation - 5300	\$ 22,495.85
4	Information Technology Department - 1120	\$ 215.50
3	Council on the Arts - 7090	\$ 2,075.00
3	Insurance Department - 4010	\$ 1,743.49
3	Public Employees Retirement System - 1920	\$ 601.72
2	Dry Pea and Lentil Council - 6130	\$ 7,948.33
2	Career and Technical Education - 2700	\$ 2,400.00
2	OMB - Fiscal Management & Administration - 1100	\$ 1,306.12
2	Department of Financial Institutions - 4130	\$ 650.00
2	Workforce Safety & Insurance - 4850	\$ 298.56
2	Potato Council - 6100	\$ 154.00
2	Veterans Home - 3130	\$ 102.33
2	Seed Department - 6160	\$ 60.00
2	Commission on Legal Counsel for Indigents - 1880	\$ 50.00
2	ND Department of Agriculture - 6020	\$ 50.00
1	Aeronautics Commission - 4120	\$ 314.08
1	ND Soybean Council - 6110	\$ 210.00
1	Securities Department - 4140	\$ 125.00
1	State Fair - 6650	\$ 122.00
1	ND Department of Commerce - 6010	\$ 80.00
1	North Dakota Legislative Assembly - 1500	\$ 25.00
1	Industrial Commission - 4050	\$ 13.72
2344	TOTALS	\$ 376,689.42

*Outstanding Checks issued during FY 2011 will be transferred to Unclaimed Property in October 2014.