

UNIVERSITY OF HAWAI‘I SYSTEM ANNUAL REPORT



REPORT TO THE 2020 LEGISLATURE

Annual Report on
University of Hawai'i Uncollectible Accounts
FY2019

HRS 40-82

December 2019

**THE UNIVERSITY OF HAWAII SYSTEM
ANNUAL REPORT TO THE LEGISLATURE FOR FISCAL YEAR 2019
SUMMARIZING UNCOLLECTIBLE ACCOUNTS
HRS § 40-82**

The University of Hawai'i respectfully submits its annual report summarizing uncollectible delinquent accounts pursuant to Hawai'i Revised Statutes ("HRS") § 40-82(d).

HRS § 40-82(c) authorizes the University General Counsel ("UGC") to review uncollectible accounts, and if the UGC finds the account to be uncollectible, such accounts may be entered into a special record and be deleted from the accounts receivable records of the University, whereupon, the University is relieved from any further accountability for their collection.

HRS § 40-82 defines uncollectible account as an account which has been delinquent for at least two consecutive years and: (1) the debtor or party causing damage to property belonging to the State is no longer within the jurisdiction of the State; (2) the debtor or party causing damage to property belonging to the State cannot be located; (3) the party causing damage to property belonging to the State is unknown or cannot be identified; (4) the debtor has filed bankruptcy and has listed the State as a creditor; or (5) any other account as may be deemed by the UGC to be uneconomical or impractical to collect. The statute further provides that any account entered in the special record shall be transferred to the current accounts receivable if the UGC finds that the facts as alleged and presented were not true, or that the account has become collectable.

During Fiscal Year 2019, the University of Hawai'i requested and was approved by the UGC for write-off of uncollectible accounts summarized in the following table. Of note is the identification and write-off of outstanding student accounts from various campuses that were over 10 years old (incurred from 1997 to 2008) and involved 2,635 delinquent accounts totaling \$1,841,554.98.

Debtor Account Category	Number of Accounts	Debt Amounts
Various Campuses – Delinquent Tuition Related Expenses - Uncollectible, debtors deceased	2	\$1,434.40
Leeward CC Instruction Costs - Waimanalo Construction Coalition and Waimanalo Construction - Demonstrated as uncollectible	2	\$208,703.55
Various Campuses – Tuition-related and rental equipment expenses - Demonstrated as uncollectible	47	\$79,966.82
Various Campuses – Student Accounts Delinquent for More Than 10 years - Demonstrated as uncollectible	2,635	\$1,841,554.98
Various Campuses – State Higher Education Loans	60	\$170,594.02
TOTALS	2,746	\$2,302,253.77