



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

Report on Outstanding State Checks

BUDGET SECTION
September 15, 2011

Kelly Schmidt
State Treasurer

Chairman Grindberg, 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 to the state's fiscal practices and to promote more efficient and cost effective service.

This requirement provides that the State Treasurer's Office will report to the Budget Section each fiscal year outstanding 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 goes 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 Dept. to be treated as unclaimed property. Our new TDOC (Tax Distribution Outstanding Check) system gives state agencies the opportunity to "work" their outstanding check list for the three years between issue and the transfer to Unclaimed Property. This "work" includes researching the validity of the payment, contacting the 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 LAND 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 can't see from the overview are the opportunities for efficiencies. In a review of the 2011 outstanding check transfer report, the opportunity for increased efficiencies in state check practices is striking. In more than one department, there were multiple checks (as many as thirteen) written to one party over a short period of time. These remain outstanding. Each state check written costs the state anywhere between \$40 to \$70 dollars in creation and processing.

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 towards greater transparency and efficiency.

Outstanding Checks By Dollar Amount

Kelly L. Schmidt, State Treasurer

Office of State Treasurer

Budget Section
September 2011

Department	Records	Total	FY09	FY10	FY11
Tax Department - 1270	5416	\$ 2,140,548.72	\$ 149,833.08	\$ 401,359.20	\$ 1,589,356.44
Department of Human Services - 3250	2168	\$ 350,865.55	\$ 48,412.39	\$ 75,681.46	\$ 226,771.70
Land Department - 2260	78	\$ 115,735.20	\$ 33,252.18	\$ 15,481.00	\$ 67,002.02
Adjutant General - 5400	139	\$ 88,969.58	\$ 17,714.61	\$ 56,384.51	\$ 14,870.46
Game and Fish Department - 7200	883	\$ 61,273.58	\$ 12,336.00	\$ 10,819.77	\$ 38,117.81
Secretary of State - 1080	1014	\$ 36,776.00	\$ 10,494.25	\$ 9,457.25	\$ 16,824.50
Department of Public Instruction - 2010	21	\$ 32,888.05	\$ 1,662.50	\$ 12,283.19	\$ 18,942.36
Department of Transportation - 8010	41	\$ 25,451.03	\$ 505.65	\$ 1,048.50	\$ 23,896.88
Department of Corrections & Rehabilitation -	11	\$ 24,600.57	\$ 1,999.80	\$ 124.92	\$ 22,475.85
Supreme Court - 1800	275	\$ 23,749.66	\$ 15,163.74	\$ 3,652.13	\$ 4,933.79
Department of Health - 3010	145	\$ 19,019.30	\$ 7,213.71	\$ 1,566.90	\$ 10,238.69
Insurance Department - 4010	13	\$ 18,910.89	\$ 3,174.51	\$ 1,814.83	\$ 13,921.55
Job Service North Dakota - 3800	94	\$ 17,465.35	\$ 7,734.26	\$ 4,937.42	\$ 4,793.67
North Dakota State Library - 2500	12	\$ 17,086.53	\$ 16,551.90	\$ 48.14	\$ 486.49
Attorney General - 1250	57	\$ 13,515.03	\$ 1,797.00	\$ 1,386.78	\$ 10,331.25
Dry Pea and Lentil Council - 6130	3	\$ 8,081.92	\$ -	\$ 133.59	\$ 7,948.33
ND Department of Agriculture - 6020	35	\$ 6,510.48	\$ 1,691.48	\$ 3,055.00	\$ 1,764.00
Public Employees Retirement System - 1920	26	\$ 6,356.98	\$ 1,148.24	\$ 4,607.02	\$ 601.72
Council on the Arts - 7090	13	\$ 6,141.90	\$ 1,075.00	\$ 1,200.00	\$ 3,866.90
Water Commission - 7700	4	\$ 5,852.68	\$ 3,267.68	\$ 552.00	\$ 2,033.00
State Historical Society ND - 7010	7	\$ 5,592.00	\$ -	\$ 4,492.00	\$ 1,100.00
ND Department of Commerce - 6010	6	\$ 5,461.11	\$ 953.11	\$ 4,303.00	\$ 205.00
Wheat Commission - 6250	17	\$ 5,181.64	\$ 51.88	\$ 1,071.72	\$ 4,058.04
Workforce Safety & Insurance - 4850	9	\$ 3,678.81	\$ 120.00	\$ 2,975.25	\$ 583.56
OMB - Fiscal Management & Administration -	10	\$ 3,173.05	\$ 176.88	\$ 1,229.05	\$ 1,767.12
Department of Financial Institutions - 4130	8	\$ 2,850.00	\$ 1,600.00	\$ 300.00	\$ 950.00
Career and Technical Education - 2700	5	\$ 2,676.81	\$ 100.00	\$ 176.81	\$ 2,400.00
North Dakota Highway Patrol - 5040	10	\$ 1,346.13	\$ 430.00	\$ 690.15	\$ 225.98
ND Corn Utilization Council - 6140	5	\$ 1,226.57	\$ 119.50	\$ 928.15	\$ 178.92
Information Technology Department - 1120	17	\$ 1,218.46	\$ 354.00	\$ 378.60	\$ 485.86
Aeronautics Commission - 4120	4	\$ 1,135.11	\$ 464.27	\$ -	\$ 670.84
ND Soybean Council - 6110	9	\$ 1,129.31	\$ 75.00	\$ 844.31	\$ 210.00
Veterans Home - 3130	6	\$ 1,084.81	\$ 424.45	\$ 558.03	\$ 102.33
Oilseed Council - 6080	6	\$ 590.34	\$ 272.85	\$ -	\$ 317.49
Governor's Office - 1010	1	\$ 570.42	\$ -	\$ 570.42	\$ -
Seed Department - 6160	6	\$ 534.94	\$ -	\$ 202.77	\$ 332.17
ND Barley Council - 6260	4	\$ 472.31	\$ 242.65	\$ -	\$ 229.66
State Fair - 6650	3	\$ 436.03	\$ 138.53	\$ -	\$ 297.50
Parks and Recreation - 7500	7	\$ 407.50	\$ 87.50	\$ 133.00	\$ 187.00
School for the Deaf - 2520	1	\$ 369.60	\$ 369.60	\$ -	\$ -
Protection and Advocacy - 3600	2	\$ 345.00	\$ 150.00	\$ 195.00	\$ -
Industrial Commission - 4050	3	\$ 338.08	\$ 24.36	\$ 300.00	\$ 13.72
North Dakota Legislative Council - 1600	1	\$ 306.17	\$ -	\$ -	\$ 306.17
Grafton Developmental Center - 3100	4	\$ 234.63	\$ 87.50	\$ -	\$ 147.13
ND State Hospital - 3120	2	\$ 201.09	\$ -	\$ 168.48	\$ 32.61
Potato Council - 6100	2	\$ 154.00	\$ -	\$ -	\$ 154.00
Commission on Legal Counsel for Indigents -	6	\$ 140.49	\$ 67.64	\$ 50.00	\$ 22.85
Securities Department - 4140	2	\$ 140.00	\$ 15.00	\$ -	\$ 125.00
Dry Bean Council - 6060	1	\$ 116.06	\$ 116.06	\$ -	\$ -
Indian Affairs Commission - 3160	1	\$ 95.00	\$ 95.00	\$ -	\$ -
Department of Labor - 4060	3	\$ 52.51	\$ 27.51	\$ 25.00	\$ -
North Dakota Legislative Assembly - 1500	2	\$ 50.00	\$ 25.00	\$ -	\$ 25.00
		\$ 3,061,106.98	\$ 341,616.27	\$ 625,185.35	\$ 2,094,305.36

Outstanding Checks By Number of Records

Kelly L. Schmidt, State Treasurer

Office of State Treasurer

Budget Section

September 2011

Department	Records	Total	FY09	FY10	FY11
Tax Department - 1270	5416	\$ 2,140,548.72	\$ 149,833.08	\$ 401,359.20	\$ 1,589,356.44
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Secretary of State - 1080	1014	\$ 36,776.00	\$ 10,494.25	\$ 9,457.25	\$ 16,824.50
Game and Fish Department - 7200	883	\$ 61,273.58	\$ 12,336.00	\$ 10,819.77	\$ 38,117.81
Supreme Court - 1800	275	\$ 23,749.66	\$ 15,163.74	\$ 3,652.13	\$ 4,933.79
Department of Health - 3010	145	\$ 19,019.30	\$ 7,213.71	\$ 1,566.90	\$ 10,238.69
Adjutant General - 5400	139	\$ 88,969.58	\$ 17,714.61	\$ 56,384.51	\$ 14,870.46
Job Service North Dakota - 3800	94	\$ 17,465.35	\$ 7,734.26	\$ 4,937.42	\$ 4,793.67
Land Department - 2260	78	\$ 115,735.20	\$ 33,252.18	\$ 15,481.00	\$ 67,002.02
Attorney General - 1250	57	\$ 13,515.03	\$ 1,797.00	\$ 1,386.78	\$ 10,331.25
Department of Transportation - 8010	41	\$ 25,451.03	\$ 505.65	\$ 1,048.50	\$ 23,896.88
ND Department of Agriculture - 6020	35	\$ 6,510.48	\$ 1,691.48	\$ 3,055.00	\$ 1,764.00
Public Employees Retirement System - 1920	26	\$ 6,356.98	\$ 1,148.24	\$ 4,607.02	\$ 601.72
Department of Public Instruction - 2010	21	\$ 32,888.05	\$ 1,662.50	\$ 12,283.19	\$ 18,942.36
Wheat Commission - 6250	17	\$ 5,181.64	\$ 51.88	\$ 1,071.72	\$ 4,058.04
Information Technology Department - 1120	17	\$ 1,218.46	\$ 354.00	\$ 378.60	\$ 485.86
Insurance Department - 4010	13	\$ 18,910.89	\$ 3,174.51	\$ 1,814.83	\$ 13,921.55
Council on the Arts - 7090	13	\$ 6,141.90	\$ 1,075.00	\$ 1,200.00	\$ 3,866.90
North Dakota State Library - 2500	12	\$ 17,086.53	\$ 16,551.90	\$ 48.14	\$ 486.49
Department of Corrections & Rehabilitation -	11	\$ 24,600.57	\$ 1,999.80	\$ 124.92	\$ 22,475.85
OMB - Fiscal Management & Administration -	10	\$ 3,173.05	\$ 176.88	\$ 1,229.05	\$ 1,767.12
North Dakota Highway Patrol - 5040	10	\$ 1,346.13	\$ 430.00	\$ 690.15	\$ 225.98
Workforce Safety & Insurance - 4850	9	\$ 3,678.81	\$ 120.00	\$ 2,975.25	\$ 583.56
ND Soybean Council - 6110	9	\$ 1,129.31	\$ 75.00	\$ 844.31	\$ 210.00
Department of Financial Institutions - 4130	8	\$ 2,850.00	\$ 1,600.00	\$ 300.00	\$ 950.00
State Historical Society ND - 7010	7	\$ 5,592.00	\$ -	\$ 4,492.00	\$ 1,100.00
Parks and Recreation - 7500	7	\$ 407.50	\$ 87.50	\$ 133.00	\$ 187.00
ND Department of Commerce - 6010	6	\$ 5,461.11	\$ 953.11	\$ 4,303.00	\$ 205.00
Veterans Home - 3130	6	\$ 1,084.81	\$ 424.45	\$ 558.03	\$ 102.33
Oilseed Council - 6080	6	\$ 590.34	\$ 272.85	\$ -	\$ 317.49
Seed Department - 6160	6	\$ 534.94	\$ -	\$ 202.77	\$ 332.17
Commission on Legal Counsel for Indigents -	6	\$ 140.49	\$ 67.64	\$ 50.00	\$ 22.85
Career and Technical Education - 2700	5	\$ 2,676.81	\$ 100.00	\$ 176.81	\$ 2,400.00
ND Corn Utilization Council - 6140	5	\$ 1,226.57	\$ 119.50	\$ 928.15	\$ 178.92
Water Commission - 7700	4	\$ 5,852.68	\$ 3,267.68	\$ 552.00	\$ 2,033.00
Aeronautics Commission - 4120	4	\$ 1,135.11	\$ 464.27	\$ -	\$ 670.84
ND Barley Council - 6260	4	\$ 472.31	\$ 242.65	\$ -	\$ 229.66
Grafton Developmental Center - 3100	4	\$ 234.63	\$ 87.50	\$ -	\$ 147.13
Dry Pea and Lentil Council - 6130	3	\$ 8,081.92	\$ -	\$ 133.59	\$ 7,948.33
State Fair - 6650	3	\$ 436.03	\$ 138.53	\$ -	\$ 297.50
Industrial Commission - 4050	3	\$ 338.08	\$ 24.36	\$ 300.00	\$ 13.72
Department of Labor - 4060	3	\$ 52.51	\$ 27.51	\$ 25.00	\$ -
Protection and Advocacy - 3600	2	\$ 345.00	\$ 150.00	\$ 195.00	\$ -
ND State Hospital - 3120	2	\$ 201.09	\$ -	\$ 168.48	\$ 32.61
Potato Council - 6100	2	\$ 154.00	\$ -	\$ -	\$ 154.00
Securities Department - 4140	2	\$ 140.00	\$ 15.00	\$ -	\$ 125.00
North Dakota Legislative Assembly - 1500	2	\$ 50.00	\$ 25.00	\$ -	\$ 25.00
Governor's Office - 1010	1	\$ 570.42	\$ -	\$ 570.42	\$ -
School for the Deaf - 2520	1	\$ 369.60	\$ 369.60	\$ -	\$ -
North Dakota Legislative Council - 1600	1	\$ 306.17	\$ -	\$ -	\$ 306.17
Dry Bean Council - 6060	1	\$ 116.06	\$ 116.06	\$ -	\$ -
Indian Affairs Commission - 3160	1	\$ 95.00	\$ 95.00	\$ -	\$ -
		\$ 3,061,106.98	\$ 341,616.27	\$ 625,185.35	\$ 2,094,305.36

Outstanding Checks To Be Sent To Unclaimed Property October 2011, By Dollar Amount And Record

Kelly L. Schmidt, State Treasurer

Office of State Treasurer

Records	Department	Amount
1062	Tax Department - 1270	\$ 271,264.74
7	ND Department of Agriculture - 6020	\$ 59,951.36
361	Department of Human Services - 3250	\$ 33,171.11
34	Job Service North Dakota - 3800	\$ 15,077.12
11	Department of Public Instruction - 2010	\$ 10,871.05
252	Secretary of State - 1080	\$ 8,542.50
352	Game and Fish Department - 7200	\$ 7,630.55
2	State Historical Society ND - 7010	\$ 4,592.00
14	Land Department - 2260	\$ 4,526.77
11	Adjutant General - 5400	\$ 3,590.88
52	Supreme Court - 1800	\$ 2,878.97
14	Department of Transportation - 8010	\$ 2,245.89
5	Department of Financial Institutions - 4130	\$ 2,060.00
10	Attorney General - 1250	\$ 1,703.45
8	Public Employees Retirement System - 1920	\$ 1,356.75
5	Insurance Department - 4010	\$ 894.57
4	Career and Technical Education - 2700	\$ 878.98
1	North Dakota State Library - 2500	\$ 526.00
3	Department of Corrections & Rehabilitation - 5300	\$ 498.35
1	Dry Pea and Lentil Council - 6130	\$ 472.07
43	Department of Health - 3010	\$ 344.75
1	Beef Commission - 6240	\$ 285.00
7	Information Technology Department - 1120	\$ 284.18
1	North Dakota Department of Veterans Affairs - 3210	\$ 272.00
3	Wheat Commission - 6250	\$ 223.25
1	ND Corn Utilization Council - 6140	\$ 154.02
1	Industrial Commission - 4050	\$ 150.80
1	ND Vision Services/School for the Blind - 2530	\$ 60.00
1	North Dakota Highway Patrol - 5040	\$ 60.00
1	Parks and Recreation - 7500	\$ 60.00
2	ND Barley Council - 6260	\$ 51.71
1	Commission on Legal Counsel for Indigents - 1880	\$ 25.00
1	Workforce Safety & Insurance - 4850	\$ 25.00
1	Grafton Developmental Center - 3100	\$ 13.50
1	North Dakota Legislative Council - 1600	\$ 6.30
		\$ 434,748.62

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361	Department of Human Services - 3250	\$ 33,171.11
352	Game and Fish Department - 7200	\$ 7,630.55
252	Secretary of State - 1080	\$ 8,542.50
52	Supreme Court - 1800	\$ 2,878.97
43	Department of Health - 3010	\$ 344.75
34	Job Service North Dakota - 3800	\$ 15,077.12
14	Land Department - 2260	\$ 4,526.77
14	Department of Transportation - 8010	\$ 2,245.89
11	Department of Public Instruction - 2010	\$ 10,871.05
11	Adjutant General - 5400	\$ 3,590.88
10	Attorney General - 1250	\$ 1,703.45
8	Public Employees Retirement System - 1920	\$ 1,356.75
7	ND Department of Agriculture - 6020	\$ 59,951.36
7	Information Technology Department - 1120	\$ 284.18
5	Department of Financial Institutions - 4130	\$ 2,060.00
5	Insurance Department - 4010	\$ 894.57
4	Career and Technical Education - 2700	\$ 878.98
3	Department of Corrections & Rehabilitation - 5300	\$ 498.35
3	Wheat Commission - 6250	\$ 223.25
2	State Historical Society ND - 7010	\$ 4,592.00
2	ND Barley Council - 6260	\$ 51.71
1	North Dakota State Library - 2500	\$ 526.00
1	Dry Pea and Lentil Council - 6130	\$ 472.07
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