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MEMORANDUM

To: Agency Directors
Chief Financial Officers
From: Brenda Hart, Interim Director
Subject: Debt Collection Reports
Date: January 28, 2015

The Executive Budget Office will coordinate the submission of the outstanding debt schedules, as required by Proviso 117.37 of the FY 2014-15 Appropriation Act, for the Chairmen of the Senate Finance and House Ways and Means Committees and the Inspector General.

For the current year, the Executive Budget Office requests that you use the Debt Collection Report included in this email. Please provide our Office with your report no later than March 2, 2015. If your agency has no outstanding debt to report, please send an email stating such. Your report may be emailed to Bonny Anderson at banderson@budget.sc.gov.

Proviso 117.37 of the FY 2014-15 Appropriation Act directs that:

Each state agency shall provide to the Chairmen of the Senate Finance and House of Representatives Ways and Means Committees and the Inspector General a report detailing the amount of its outstanding debt and all methods it has used to collect that debt. This report is due by the last day of February for the previous calendar year. For purposes of this provision, outstanding debt means a sum remaining due and owed to a state agency by a non-governmental entity for more than sixty calendar days.

The following information is provided to assist agencies in gathering the information required by the proviso.

1. Outstanding debt is defined as money that is owed to an agency or institution for any goods and/or services provided. Examples would include things such as office supplies, student and patient fees, data processing services, delinquent taxes, equipment rentals, etc.
2. The cutoff date for reporting debt is December 31, 2014. ***Only debt that was billed on or before December 31, 2014 and is still outstanding for 60 days or more should be reported.*** However, if your agency does not have a system that ages your accounts receivable, reporting all outstanding debt will be acceptable. Simply note in your report that all debt is being reported.
3. It is not necessary to denote the actual debtor. Outstanding debt should be categorized and totaled by type of service with an overall total for the agency.
4. The description of collection methods should include not only your in-house collection procedures, but also whether you use collection agencies or participate in the Department of Revenue's Debt Set Off or GEAR programs.

Please contact your Executive Budget Office analyst or myself at 803.734.2280, if you have questions or need additional information.