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January 26, 2012

Memorandum

To: Agency Directors
From: Brenda Hart
Subject: Debt Collection Reports

Proviso 89.40 of the FY 2012-13 Appropriation Act directs that:

Each state agency shall provide to the Chairmen of the Senate Finance and House of Representatives Ways and Means Committees 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 (60) calendar days.

The State Budget Division will coordinate the submission of the outstanding debt schedules for the two legislative committees. 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, 2012. Only debt that was billed on or before December 31, 2012 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.
5. Three (3) printed copies and one electronic file of the debt collection reports should be submitted no later than February 28, 2013. The electronic file may be e-mailed to dcooper@budget.sc.gov or submitted on a CD to:

State Budget Division
1205 Pendleton Street, Suite 529
Columbia, SC 29201

Please contact my office at 734-2280, if you have questions or need additional information.