



South Carolina Association of Counties

SETOFF DEBT COLLECTION PROGRAM

Overview

The Setoff Debt Collection Act, Chapter 56 of Title 12 of the South Carolina Code (1976), authorizes public entities to participate in the state's Setoff Debt Collection Program. Using a 1992 amendment to the Setoff Debt Collections Act, SCAC has been assisting county governments and other county entities to participate in the Setoff Debt Collection Program. County entities submit delinquent debts to SCAC for possible matches against state income tax refunds due their debtors. SCAC acts as a clearinghouse between county governments and the S.C. Department of Revenue for the processing of these debts and returns the money to the counties. Monies, which otherwise would have gone uncollected, are returned to the counties.

- SCAC Services are **FREE** to participating entities. Fees are paid by the debtors. SCAC services include free data transfers; technical assistance for sending data through CMS to SCAC secure servers; free electronic banking; free address updates from the tax returns; data analysis and reports on potential errors; verifications of totals for every data file; ability to submit unique case numbers; assistance with legal questions and program questions, and more.
- All accounts must have valid social security numbers to match with tax returns. Court entities may access the SC Department of Motor Vehicle database to find social security numbers.
- Debts for courts may be \$25, or multiple accounts must sum to \$25, for submission to the Setoff Debt program.
- Accounts must be resubmitted each year for collection.
- Entities must follow all due process procedures as defined in the statute. Entities must provide notice and an opportunity to be heard to debtors.
- Entities must meet deadlines for sending notices and submitting data.
- Any debt due and owing to the court, regardless of age, may be submitted for collection.
- After January 1, the SC Department of Revenue matches the data in the debt files with State income tax returns. SCAC compiles data, reports and payments and sends them to the entities.

For questions regarding SCAC's debt collection programs, please contact:

SCAC
Setoff Debt Collection
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