

2025 Agency Debt Collection Report Proviso 117.33

Agency Number: U120	Agency Name: SC Department of Transportation
Contact Person/Position: Monquie Brown, Accounts Receivable Manager	
Phone Number: 803-737-0735	Email Address: Brownms@scdot.org

A. Total agency receivables (to include those that are past due) as of 12/31/25.	\$ 7,084,424.79
B. Total agency receivables 60 days, or older, as of 12/31/25 (categorize these receivables in the chart below).	\$ 5,720,881.09
C. Total amount of debt written off by agency during calendar year 2025. (DO NOT INCLUDE IN ABOVE TOTAL).	\$ -0-

In order to ensure accurate reporting for agency comparison, submit only the total amount of outstanding receivables still on the agency books, which are 60 days or older as of December 31, 2025.

DO NOT INCLUDE DEBT PREVIOUSLY WRITTEN-OFF.

B. Categorization of Debt 60 days or older <i>(Add lines as needed)</i>	
Student Receivables	\$
Loans Receivables	\$
Departmental Receivables (Non-governmental: Contracts, grants, other entities, foundations)	\$ 5,700,990.76
Fees and Fines	\$
Returned Checks	\$
Patient Receivables	\$
Other (please specify): Restitution	\$ 19,890.33
Other (please specify):	\$
Other (please specify):	\$
Other (please specify):	\$
Other (please specify):	\$

Does the agency participate in the Worthless Check Program through the Circuit Solicitor's Office? (Choose One)	Yes ___	No <u>X</u>
Does the agency use the DOR set-off program? (Choose One)	Yes <u>X</u>	No ___
Does the agency use the DOR GEAR program? (Choose One)	Yes <u>X</u>	No ___
Does the agency use outside collection agencies? (Choose One)	Yes <u>X</u>	No ___

Please answer the following questions to develop ‘lessons learned’ and statewide trends to be shared, **without attribution**, with all agencies.

- **Biggest issues the agency faces with collection of aged receivables:**

The vast majority of the South Carolina Department of Transportation’s (SCDOT) non-governmental receivables are for damage claims to Agency property (guardrails, cable barriers, bridges, etc.) and is usually created by non-repeat offenders. A major challenge in the agency’s collections is the uninsured out-of-state driver. While SCDOT follows the standard collection procedures of calls and letters, these individuals usually do not have the funds to pay for claims and either seek payment plans or choose to pay nothing. Most of the billings for damage claims end up delinquent. After the agency’s standard letter of communication, if the claim is over \$1,000, the Legal Department may pursue collection by way of lawsuit against the individual.

- **Agency practices for collections that have proven effective:**

Verbal communication and collection letters are the agency’s standard practices. SCDOT receives assistance from the SC Dept. of Motor Vehicles in collection efforts. When an accident occurs, the officer at the accident notes all damages to property, including SCDOT’s, in the accident report. Upon notification that SCDOT property has been damaged, SCDOT sends follow-up correspondence to SCDMV seeking insurance information for the claim. The SCDMV requests insurance information from the parties in the collision and if the insurance information is not returned to the SCDMV, the vehicle owner’s driving privileges are suspended as well as vehicle registration, title changes, etc. In order to have the suspension lifted, the owner must seek a release from all parties claiming property damage. At this point the owner must contact SCDOT seeking a waiver and the agency will work with the owner to arrange payment options. SCDOT has contracted with a claims management company who specializes in property damage claims for department of transportations. This has proven to be very effective and financial recovery has increased.

- **Feedback on DOR’s Collection programs or Solicitor’s Worthless Check Units, if applicable:**

SCDOT has been a user of the Debt Set-off and GEAR program. The Debt Set-off and GEAR program have yielded good results but reap only a small percentage of delinquent debt. With regards to the Solicitor’s Worthless Check Units, SCDOT infrequently has returned checks. SCDOT’s current procedure is to notify the individual by certified mail of the returned check and add a \$30 bad check fee. SCDOT request the funds to be sent within 10 days of receipt of the notification letter. If paid, the debt is canceled. If unpaid, the legal department is notified so action in the form of a more aggressive letter or legal action against the individual can be taken. While SCDOT has not used the Solicitor’s Worthless Check Unit in the past, SCDOT is willing to utilize this method of collection in the future.

Summary of collection practices:

In order to assist other agencies with collection efforts, provide a summary of collection practices and aged date each step is implemented. If known, an approximate percentage of recovery at each phase.

A debt may be owed to SCDOT from a lease agreement, property damage claim, miscellaneous permit, payroll overpayment or contract agreement. For all receivables, an invoice is established on the Agency’s Accounts Receivable ledger with terms of Due upon Receipt. SCDOT’s Right-Of-Way department negotiates leases and assists in collecting delinquent lease agreements. The SCDOT Payroll department assists in collecting amounts due from the Agency’s payroll overpayment of former employees. For claims on damaged property, SCDOT will work closely with a debtor’s insurance company to collect the debt. Accounts Receivable personnel make collection calls and send 30/60/90-day letters to debtors in attempt to collect unpaid invoices. Accounts Receivables staff exhaust all available avenues of communication for collection. After 120 days, the file is referred to the Agency’s Legal department for further action. SCDOT’s Legal department handles each referred claim on a case-by-case basis, sometimes writing additional letters or making additional phone calls, particularly to businesses. The additional phone calls are useful to clear up any confusion as to amounts or reasons for the

invoice. For unpaid invoices against a SC resident, SCDOT prepares the claim for the Debt Offset program by obtaining the social security number from SCDMV through a cooperative agreement. SCDOT each year utilizes SCDOR Debt Set-Off program in effort to collect delinquent SC resident accounts. Upon the recommendation of the SCDOT Legal Office, any uncollected amount after Debt Set-off, will be filed with SCDOR's GEAR program, a more aggressive collection approach. For unpaid non-resident invoices over the amount of \$1000, the Legal Department may decide to pursue collection by lawsuit filed against that claimant. For any debt under \$25 and for debts against non-SC residents under \$1,000, once every practical method of collection has been pursued to no avail, the Legal Office will recommend writing off.

Narrative to explain uniqueness of agency receivables categories or collection efforts (Optional):

SCDOT's receivables are vastly comprised of damage claims. Except for the lease agreements, these are usually one-time customers. Damage claim receivables are very much dependent upon individuals carrying motor vehicle insurance.

SCDOT's over 60 days old amount is comprised of many small claims, all under \$15,000 in value and for non-governmental entity invoices that have been referred to the Legal Department.