

STATE OF SOUTH CAROLINA )  
COUNTY OF RICHLAND )

SOUTH CAROLINA )  
ASSOCIATION OF COUNTIES )  
(SCAC) )

AND )  
)

---

(Name of Claimant Agency)

This AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 200\_\_, by and between the above referenced Claimant Agency and the South Carolina Association of Counties (SCAC), in furtherance of the S.C. Code §12-4-580 (2003) hereinafter the Governmental Enterprise Accounts Receivable Collections (GEAR) Program.

WHEREAS, the provisions of S.C. Code §12-4-580 authorize the South Carolina Department of Revenue (Department) to collect any liabilities owed a Claimant Agency; and

WHEREAS, the Department has all the rights and powers of collection allowed it under Title 12 of the South Carolina Code of Laws for the collection of taxes and all such rights and powers authorized the Claimant Agency to which the liability is owed including waiver of a debt in whole or in part; compromises that facilitate the collection of the debt; wage garnishment, payment agreements; levy and seizure of bank accounts or any other intangible asset; the issuance of a lien which will encumber all of the debtor's property; both real and personal, tangible and intangible, revocation of any sales tax license; and placement with private collection agencies to resolve the debt; and

WHEREAS, the parties to this Agreement are Governmental Entities as defined in S.C. Code §12-4-580 and are authorized to participate in the GEAR Program; and

WHEREAS, the Claimant Agency desires to enter into this Agreement with SCAC in order to participate in the GEAR Program in order to increase the collection rate of liabilities owed to the Claimant Agency; and

**MEMORANDUM OF  
UNDERSTANDING AND AGREEMENT**

**PARTICIPATION  
IN THE  
GEAR COLLECTIONS  
PROGRAM**

NOW, THEREFORE in consideration of the mutual covenants and agreements, terms and conditions contained herein, it is hereby understood and agreed by and between the Claimant Agency and SCAC that:

1. The Claimant Agency is a Governmental Entity entitled to participate in the GEAR Program as defined in S.C. Code §12-4-580(D)(1) and has provided an attorney's opinion letter to SCAC certifying same.
2. The Claimant Agency hereby designates, appoints and authorizes SCAC to submit to the Department liabilities owed the Claimant Agency for collection under the GEAR Program as provided herein and under the Policies and Procedures now and hereafter adopted by the Department.
3. Participants in the GEAR program will, upon execution of this Agreement, file a GEAR program Participation Form with SCAC enrolling the Claimant Agency in the program. The form shall designate a GEAR Collections Coordinator who may be the same person designated as the Setoff Debt Collection Coordinator. The GEAR Collections Coordinator shall be the designated contact for all communications by and between SCAC and the Claimant Agency. The Coordinator shall be a person authorized by the Claimant Agency to carry out the requirements of this Agreement; the requirements of S.C. Code §12-4-580 and S.C. Code §12-56-10 *et.seq.*, the Setoff Debt Collection Act.

4. A debt file, and adjustments thereto, shall be prepared as required by SCAC in the specified format and transferred to SCAC on a diskette or as an electronic transfer.
  5. Each debt file submitted to SCAC, including adjustments to accounts at the Department, shall have attached to it a signed "Certification" form.
  6. The Claimant Agency shall give the debtor notice, opportunity to be heard, and appeal, as defined in S.C. Code § 12-4-580 (E).
  7. By giving a debtor the notice, as required by the Department and the statutory law of the State of South Carolina, and upon filing the debt with SCAC for submission to the Department, the Claimant Agency directs the Department to collect the debt directly by any of the methods herein mentioned.
  8. For purposes of the GEAR Program, debts incurred less than one (1) calendar year prior to the notice sent to the Debtor referred to in paragraph 7 shall not be submitted. Only those debts or debt balances in an amount equal to or greater than three hundred (\$300.00) dollars shall be submitted for collection by the Department through the GEAR program.
  9. For each debt successfully recovered in whole or in part through the GEAR program, the Department is entitled to twenty-eight and one half percent (28.5%) of the amount of the debt recovered. SCAC shall be entitled to a fee of twenty-five dollars (\$25.00) for each debt successfully recovered in whole or in part.
- also submitted under the Setoff Debt Collection Program, an additional \$25 fee will be charged.
10. The Claimant Agency warrants that it will fully comply with the notice and appeals procedures as more fully set forth by S.C. Code § 12-4-580.
  11. If a Claimant Agency is found to be entitled to no part of a debt is has previously collected, it shall make a refund to the debtor in an amount equal to the amount of the debt plus all fees paid to the Department and any funds paid to SCAC along with interest.
  12. SCAC shall remit to the Claimant Agency the funds received from the Department, less funds due SCAC, within a reasonable time from the date of receipt from the Department.
  13. The Claimant Agency shall hold SCAC free and harmless and shall indemnify SCAC against any and all damages, claims, causes of action, injuries, actions, liabilities, or proceedings arising from the performance of SCAC.
  14. This Memorandum of Understanding and Agreement shall remain and continue in full force and effect from year to year unless modified or terminated in writing by either party upon thirty (30) days written notice to the other party; provided, however, that any debts submitted by the Claimant Agency to SCAC shall continue to be covered under the terms and conditions of the agreement until SCAC is notified by the Department that it has completed its collection efforts.

Pursuant to the S.C. Code § 12-56-63 of the Setoff Debt Collection Act, as amended, the South Carolina Department of Revenue shall add to each debt setoff the sum of \$25 to defray its administrative cost, and SCAC, as claimant agent for the Entity, shall add \$25 to each debt successful recovered which shall be retained by SCAC to defray its administrative costs, provided, however, SCAC will not collect more than twenty-five dollars (\$25.00), under the GEAR program, from any one individual in a calendar year. If the debt is

IN WITNESS WHEREOF, the parties hereby have caused this Memorandum of Understanding and Agreement to be properly executed on the day and year first above written.

**On Behalf of the Claimant Agency:**

By:

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

**On Behalf of S.C. Association of Counties:**

By:

Signature: \_\_\_\_\_

Michael B. Cone, Executive Director  
P.O. Box 8207  
Columbia, SC 29202  
(803) 252-7255

Date: \_\_\_\_\_