



NORTH CAROLINA SCHOOL OF
SCIENCE AND MATHEMATICS

Title	COLLECTING DEBTS
Authority	Board of Trustees
History	Effective July 1, 2007
Legal Reference	BOG 600.4.1 Hearings Under the Setoff Debt Collection Act; BOG 600.4.1.1[G] Guidelines on Implementing Setoff Debt Collection Act; BOG 600.4.1.2[G] Guidelines on Collecting Debts Owed the State by State Employees, Officials and Legislators
Additional References	
Responsible Offices	Vice Chancellor for Finance and Operations
Classification	6700

1. POLICY

The General Assembly enacted two bills to facilitate the collection of debts owed by an individual to a State agency. The first bill, known as the Setoff Debt Collection Act (N.C.G.S. Chapter 105A) provides for the collection of past-due accounts by offset against State income tax refunds due debtors to the State. The second bill, known as the State Employee Debt Collection Act (N.C.G.S. Chapter 143, Article 60) requires that arrangements be made for the satisfaction of amounts owed the State as a condition of continued employment or service by all State employees, public officials and State legislators.

It is the policy of the North Carolina School of Science and Mathematics to actively pursue all financial obligations due the School or the State.

This NCSSM policy implements State law and UNC Board of Governors Policies 600.4.1 Hearings Under the Setoff Debt Collection Act, 600.4.1.1[G] Guidelines on Implementing Setoff Debt Collection Act, and 600.4.1.2[G] Guidelines on Collecting Debts Owed the State by State Employees, Officials, and Legislators.

2. PROCEDURES UNDER THE SETOFF DEBT COLLECTION ACT

The Business Office follows the rules and regulations of the Office of the State Controller concerning the Setoff Debt Collection Act (SODCA) for all debts above \$50 and more than 90 days in arrears or already reduced to judgment. In addition to these mandatory rules, other available remedies to collect debts may be used. University policy permits the School to require the disclosure by any debtor or potential debtor of that person's social security number in contemplation of possible debt set-off against tax refund.

An alleged debtor has the right to contest the validity of the debt. Upon receipt of a written request for a hearing, the Vice Chancellor for Finance and Operations shall provide written notice of hearing procedures pursuant to BOG 600.4.1.1[G] and shall serve as the hearing officer. The hearing officer's written determination on the validity and amount of the debt owed, if any, shall be the final agency decision pursuant to N.C.G.S. § 150A-43.

3. Procedures under the State Employee Debt Collection Act (SEDCA)

The Business Office follows the rules and regulations of the Office of the State Controller concerning the State Employee Debt Collection Act (SEDCA). This act promotes payment of a debt owed the State by an employee, official, or legislator of the State through the threat of sanctions (e.g. discharge of employment) if the debt is not paid.

NCSSM's financial system is the North Carolina Accounting System (NCAS), which is the state-wide financial system and under the control of the Office of the State Controller. The Vice Chancellor for Finance and Operations is authorized to use this system or others as may be prescribed by the State for reporting functions in conjunction with SEDCA. A debtor may be requested, but not required, to disclose the debtor's social security number as limited by BOG 600.4.1.2[G]. It is the policy of the School to encourage employees to resolve debts with the School or other State agencies, including encouraging employees to enter repayment plans. However, if the employee contests the debt, the process of debt collection will be treated as a serious, contested personnel action.

No employee shall be terminated for nonpayment of debt whose collection is barred by bankruptcy decree or a statute of limitations.