



NORTH CAROLINA LOCAL GOVERNMENT
**DEBT SETOFF
CLEARINGHOUSE**

Technical Session for: New Attendees/ New Responsibilities

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(Columbia, SC)



Requirements for each debt



Must provide ALL to the Clearinghouse for each debt:

- **Social Security Number** or Dept. of the Treasury IRS Individual Taxpayer Identification Number (ITIN) – no Federal or State Business ID number or drivers license numbers
- **Names**: First and Last Name (not a Business or Corporation)
- **Current Debt Amount**: must be \$50 or more (do not add fees)
- **Compliance Date**: beginning date that a debt is eligible to be sent to the Department of Revenue for setoff
- **Expiration Date**: ending date that a debt is eligible to be sent to the Department of Revenue for setoff
- **Unique Key**: each debt for each SSN must have a Unique Key that does not change once submitted
 - Only applies to ASCII or Excel users
- **Department/ Account Code identifier**: (optional by preferred, needed for separating contacts for Interactive Voice Response)



Debt Priority



- Each debt associated with a debtor is time and date stamped as it is processed by the Clearinghouse
- When a debtor's refund is setoff, it is applied against the debts based on the date/time stamp received at the Clearinghouse
- Priority is retained until debt amount is < \$50.00 before moving to the next debt based on date/time received at the Clearinghouse



Frequency of submitting debts



- Can submit debts **every week**
 - Recommend sending each Friday, if any adds and/or edits
 - At least monthly, even if no changes to process for totals and identify errors
 - Advise sending in late December if haven't sent in months to prepare for new tax year
- Updated file sent to N.C. Department of Revenue **every Tuesday** morning (shared with the N.C. Education Lottery every two weeks)



Funds Transfers

- Clearinghouse **does not** receive the funds
- Department of Revenue deposits directly to Capital Management of the Carolinas
- Education Lottery deposits directly to Capital Management of the Carolinas
- Clearinghouse provides Capital Management of the Carolinas with information to distribute the combined funds (Dept. of Revenue and/or Lottery) to local governments
- Funds normally available within one week of setoff file availability



Method #1 for Submitting Debts - Excel

- No longer allowed for new participants – being phased out for all by Dec. 2016
 - Client Software or Data Entry are the only options
 - Initial submission allowed from Billing system, 3rd party provider or local government can manually create
 - Least secure of all the submission of debts methods
 - Layout: <http://www.ncsetoff.org/excelsample.xls>

SSN	First Name	Mid Initial	Last Name	Street Address	City	State	Zip Code	Debt Amount
849123456	George	Q	Washington	101 Cherry St	Mt Vernon	NC	27600	103.50
827019876	John	A	Adams	200 W Liberty Rd-Apt 12	Norfolk	NC	27900	503.75
827019876	John	A	Adams	201 W Liberty Rd-Apt 12	Norfolk	NC	27900	50.00
009991234	Thomas	N	Jefferson	1901 Elm Avenue	Monticello	NC	27999	120.25



Method #2 for Submitting Debts - ASCII

- From Billing system or 3rd party provider

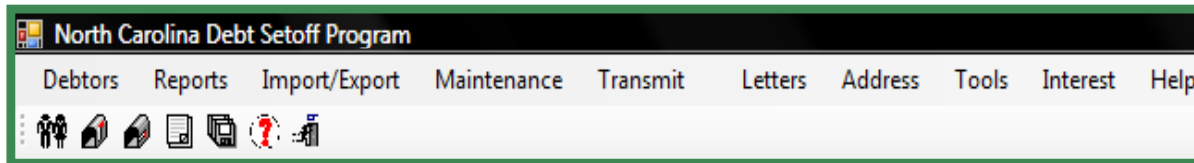
- Layout: <http://www.ncsetoff.org/ASCIILayout.htm>

Positions	Data	Length	Comments/Explanation
001 - 009	SSN	9	Numeric (a) see format notes below (REQUIRED)
010 - 019	First Name	10	Alpha (b) see format notes below (REQUIRED)
020 - 020	Middle Initial	1	Alpha or blank (b) see format notes below (REQUIRED)
021 - 035	Last Name	15	Alpha (b) see format notes below (REQUIRED)
036 - 060	Street Address	25	(REQUIRED)
061 - 071	City	11	(REQUIRED)
072 - 073	State	2	(REQUIRED)
074 - 078	Zip Code	5	(REQUIRED)
079 - 085	Debt Amount	7	Currency (c) see format notes below (REQUIRED)

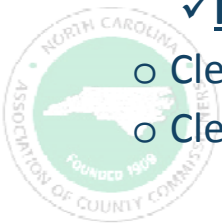


Method #3 for Submitting Debts – Client Software

- No Billing System or 3rd Party Provider
- Unable to create an ASCII or Excel file
 - Enter data into Clearinghouse Client Software



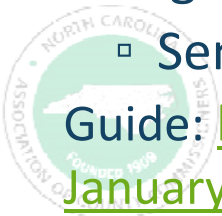
- Allows for integration of all data options
 - ✓ Recommended for 100 or more debts
 - ✓ Imports ASCII and Excel (allows for different departments to submit differently/separately)
 - ✓ **More Secure than ASCII/Excel**
 - Clearinghouse can load your ASCII or Excel file into **Client Software**, eliminating data entry
 - Clearinghouse will continue to import Excel files, only if using our software



Method #4 for Submitting Debts

- Fax hardcopies to secure fax at Clearinghouse
 - Form for Tax (interest accrual)
 - Form for non-Tax (no interest accrual)
- No charge
- May be most secure of all methods by eliminating electronic use of Social Security Numbers
- Clearinghouse will also at no cost:
 - generate notification letters
 - Send email of debtors setoff (no SSNs)

Guide: <http://www.ncsetoff.org/DataEntryParticipantGuide-January2014.pdf>



North Carolina Local Government Debt Setoff Clearinghouse
Hardcopy Data Entry Submission Form for NON-TAX Debts
Use One Page Per Debtor
Fax to (803) 561-9680

Local Government Name: _____
Agency Code: _____ Date: _____ Page # _____ of _____

Notification Letters Needed: YES / NO

Circle Type of Debtor/Debt:
a) New Debtor/New Debt b) Existing Debtor/New Debt c) Existing Debtor/Existing Debt

1) Social Security Number or Individual Tax Identification Number (ITIN):
_____ - _____ - _____

2) Last Name: _____

3) First Name: _____ 4) Middle Initial: _____

5) Street: _____

6) City: _____ 7) State: _____ 8) Zip Code: _____

9) Debt Amount: \$ _____ 10) Account Nbr: _____

11) Compliance Date: ____/____/____ 12) Expiration Date: ____/____/____

Submitting Debts via Secure Website

- ASCII and Excel files sent via <https://setoff.fivestarcomputing.com>
- Each local government has own separate folder
- Can set-up separate folder for vendor/3rd party



⇒ Sign On

Username:

Password:

Security Notice

You are about to access a secured resource. The North Carolina Local Government Debt Setoff Clearinghouse (Five Star Computing, Inc.) reserves the right to monitor and/or limit access at any time.



NC LEAGUE
OF MUNICIPALITIES
Good government. Great hometowns.

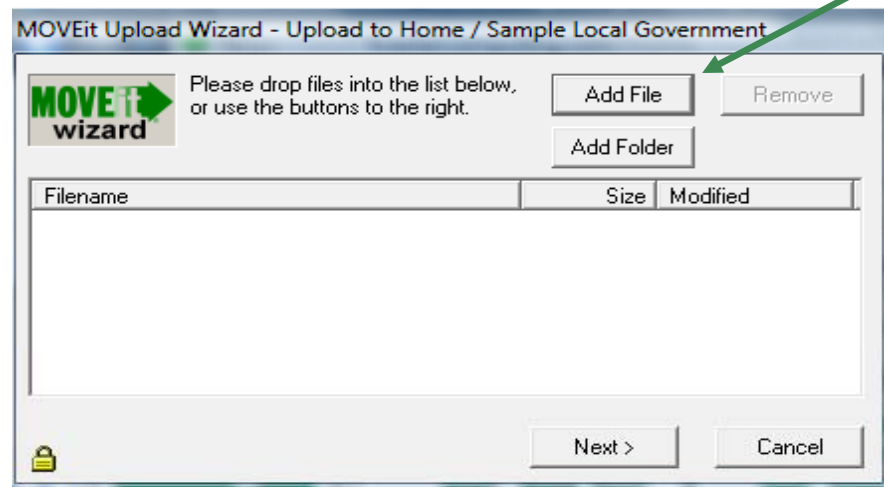
Submitting Debts via Secure Website

- Click to Launch the Upload Wizard
 - Click Add file, locate file and click Next to upload

⇒ **Upload a File Now...**

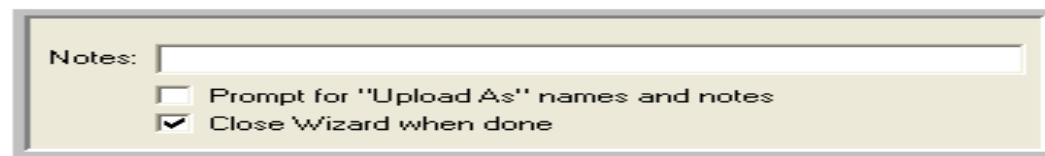
Select a folder: Home / Sample Local Government ▾

 [CLICK HERE to Launch the Upload Wizard...](#)



Submitting Debts via Secure Website

- Several options in submitting files:
 - Transmit all debtors/debts each time
 - Transmit only new debtors/debts*
 - Transmit only updated debtors/debts*
 - Transmit combined new and updated*
- Notes area is to identify a message or instructions:
 - Purge and Reload
 - I.T. or vendor contact information
 - Any questions/issues



Notes:

Prompt for "Upload As" names and notes

Close Wizard when done



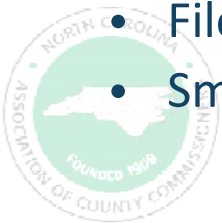
Submitting Debts- Options

- Allowable at any time:
 - Switch ASCII/Excel/Data Entry to Client software
 - Switch ASCII/Excel/Client software to Data Entry (if less than 100 debts)
 - Request all current debtors and debts be removed and a substitute data file to replace (Purge & Reload)
 - Request a specific department to be removed or debts set to \$0.00
 - Clearinghouse can create an Excel file of your debtors/debts and place in your secure folder (call/email to request)
 - Clearinghouse can provide a replacement Client software file of all debtors/debts due to hardware failure/disaster or extended period of activity or new staffing.
 - Import of ASCII/Excel file into Client software, one or more departments



Clearinghouse Security

- Unique Usernames and Smart Passwords (combinations of numbers, alphas and special characters) required for access to Clearinghouse server for electronic file transfer
 - Only one username/password per local government
 - Local government can choose to share with third-party vendor
 - Only if vendor does all debts, otherwise Clearinghouse can create a separate secure folder for the vendor to submit files and receive only debts they submitted
- Each County, County Agency and Municipality protected from others
- Files transmitted are **encrypted**- no need to create a .zip file
- Smart passwords for TRANSMIT to Clearinghouse expire every 90 days



Client Software Overview

- Provided at no cost, installation and training
- Maintains all debtor and debt information
- Imports ASCII or Excel from external systems or vendor
- Comprehensive online HELP system
- Integrated, secure encrypted electronic file transfers to the Clearinghouse
- Import vendor files to eliminate/reduce data entry



Client Software Overview

- View/scroll all debts like a spreadsheet
- Numerous detailed reports
- Optional monthly Interest Accrual
- Allows for separate user accounts for audit trails
- Create departmental/groups for separate reports of setoffs
- Generate notification letters (no external mail merge) and .pdf files for retention/proof
- Ability to hide/mask SSNs for online and/or print



How to Get Started

- Website: www.ncsetoff.org
- New Participants Check List
www.ncsetoff.org/NewParticipantChecklist.pdf
- Contact your organization- NCACC or NCLM
- Contact the Clearinghouse
 - Determining best method for submitting debts
 - Conference calls with internal staff, I.T., vendors
 - Assistance in submitting files, installing software, generating notification letters
- Get started as soon as possible to get ready for 2017 tax year



Contact Information

Name	Website
Wanda Veasey N.C. League of Municipalities (919) 715-2218	www.nclm.org
Matt Gunnet N.C. Association of County Commissioners Membership Services Coordinator (919) 715-2354	www.ncacc.org
Bill Walsh Clearinghouse (866) 265-1668	www.ncsetoff.org

