




NORTH CAROLINA LOCAL GOVERNMENT
**DEBT SETOFF
CLEARINGHOUSE**

Technical Session for: New Attendees/ New Responsibilities

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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 but 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 applies 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



2017 NewAttendees-Technical

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)

2017 NewAttendees-Technical

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




2017 NewAttendees-Technical

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
848123456	George	Q	Washington	101 Cherry St	Mt Vernon	NC	27500	103.50
827019876	John	A	Adams	200 W Liberty Rd-Apt 12	Norfolk	NC	27500	503.75
827019876	John	A	Adams	201 W Liberty Rd-Apt 12	Norfolk	NC	27500	50.00
809991234	Thomas	H	Jefferson	1901 Elm Avenue	Monticello	NC	27559	120.25



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

Submitting Debts via Secure Website

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




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

2017 NewAttendees-Startup-Notes

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

2017 NewAttendees-Startup-Notes

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

2017 NewAttendees-Startup-Notes


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







2017 NewAttendees-Startup-Notes

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

2017 NewAttendees-Startup-Notes

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

2017 NewAttendees-Startup-Notes

Contact Information

Name	Contact info
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