



NORTH CAROLINA LOCAL GOVERNMENT
**DEBT SETOFF
 CLEARINGHOUSE**

Technical Session for: New Attendees/ New Responsibilities

Bill Walsh- President, Five Star Computing, Inc.
 (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
- **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

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 – Client Software Best and recommended option

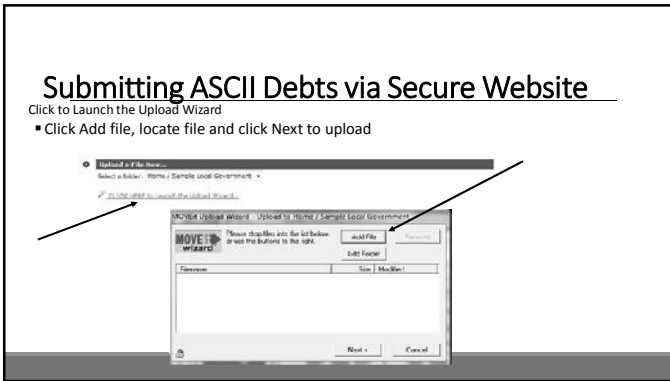
- Enter data and/or import files into Clearinghouse Client Software



- o Allows for integration of all data options
 - ✓ Recommended for 50 or more debtors/debts
 - ✓ Imports ASCII and Excel (allows for different departments to submit differently/separately)
 - ✓ **More Secure than ASCII/Excel – data encrypted**
- o Clearinghouse can load your ASCII and/or Excel file(s) into **Client Software**, eliminating data entry
- o Clearinghouse will continue to import Excel files, only if using our software

Submitting ASCII Debts via Secure Website

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



Submitting ASCII 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



Submitting Debts- Options

Allowable at any time:

- Switch ASCII/Data Entry to Client software
- Switch ASCII/Client software to Data Entry (ONLY if less than 50 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 pdf 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 2020 tax year

Contact Information

Name	Contact Info
Brittney Hunter N.C. League of Municipalities Business & Membership Development Services Consultant (919) 715-7974	bhunter@nclm.org www.nclm.org
Matt Bigelow N.C. Association of County Commissioners Program Development Manager (919) 715-4367	matt.bigelow@ncacc.org www.ncacc.org
Bill Walsh Clearinghouse (866) 265-1668	ncsetoff@ncsetoff.org www.ncsetoff.org

