



NORTH CAROLINA LOCAL GOVERNMENT

DEBT SETOFF CLEARINGHOUSE

Technical Session for: New Attendees/ New Responsibilities

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Requirements for each debt

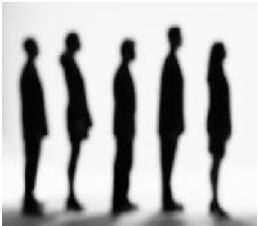


Must provide ALL to the Clearinghouse for each debt:

- **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
- **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 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

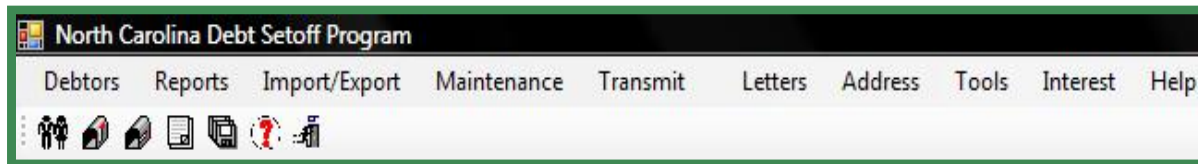
Clearinghouse provides Capital Management of the Carolinas with information to distribute the combined funds (Dept. of Revenue and/or Lottery) to local governments

Funds normally available within one week of setoff file availability

Method #1 for Submitting Debts – Client Software

Best and recommended option

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



- 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**
- Clearinghouse can load your ASCII and/or Excel file(s) into **Client Software**, eliminating data entry
- Clearinghouse will continue to import Excel files, only if using our software

Method #2 for Submitting Debts

Fax hardcopies to secure fax at Clearinghouse

- Form for Tax (interest accrual)
- Form for non-Tax (no interest accrual)

For local governments with 50 or fewer debtors/debts

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: ____/____/____

Method #3 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)

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



NORTH CAROLINA LOCAL GOVERNMENT
**DEBT SETOFF
CLEARINGHOUSE**



⇨ 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.

Submitting ASCII Debts via Secure Website

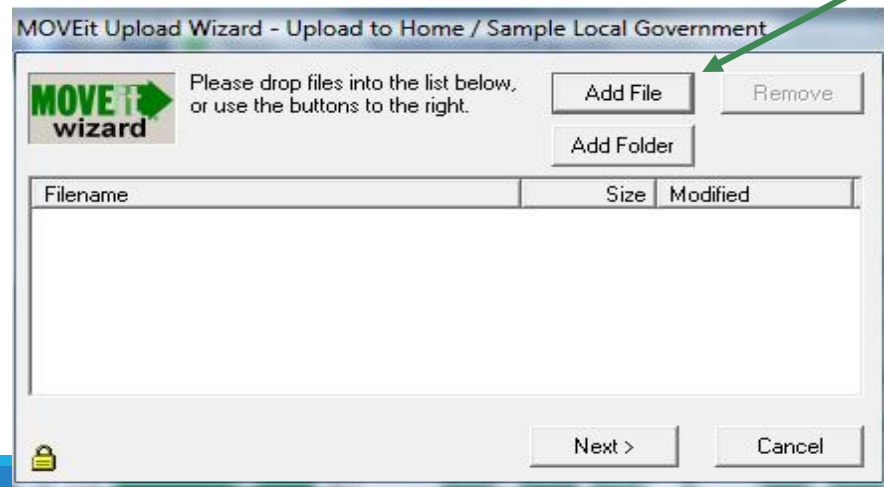
Click to Launch the Upload Wizard

- 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 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



Notes:

Prompt for "Upload As" names and notes

Close Wizard when done

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
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