

Disclaimer

- Some of the following slides may be changed or even removed before October 18 in order to fit the allowed timeframe of 2.5 hours
- Additional slides may be added prior to the workshops
- We recommend not printing this before October 4
- Some slides may appear in the actual presentation that are not in this document for security reasons – as presentations and pdfs are posted on the website

Date of this version – October 4, 2021

NORTH CAROLINA LOCAL GOVERNMENT
**DEBT SETOFF
 CLEARINGHOUSE**

2021 TRAINING WORKSHOP



2021 Training Workshops (21st Year)



Western – Week #1

- Oct-12 • Hickory
- Oct-19 • Waynesville
- Oct-26 • Asheboro

Eastern – Week #2

- Oct-26 • Wilmington
- Oct-27 • Washington
- Oct-28 • Raleigh

Tentative Schedule

- 1) 9:30 – 10:50 a.m.
- 2) 10:50 – 11:05 a.m. (Break)
- 3) 11:05 – 12:00 p.m.



Agenda

- Purpose of Workshops
- Security
- New Participants
- Hearings
- Due Process
- Debtors
- Debts
- Setoffs
- Year-end Cleanup
- Avoiding Disaster
- Preparing for 2022
- 2022 Participation Form
- Interactive Voice Response
- Dept. of Revenue Report
- Email Types

Excluded From Today's Agenda


- Client Software
 - Special 1 ½ hour Zoom meeting for counties, agencies, municipalities and housing authorities
 - Wednesday, December 8
 - 10:00 – 11:30 a.m.
 - Requires registration

Training Workshop Purpose

- Discuss security
- Reiterate laws, regulations and requirements
- Preparing for year-end
- Preparing for upcoming tax year

Security (1 of 21)

Breach and/or Ransomware (29)		
#	County/Agency (Year)	Municipality (Year)
1	(2021)	(2018)
2	(2019)	(2018)
3	(2018)	(2019)
4	(2020)	(2020)
5	(2018)	(2019)
6	(2020)	(2021)
7	(2020)	(2018)
8	(2020)	(2019)
9	(2020)	(2020)
10	(2019)	(2018)
11	(2017)	(2020)
12	(2020)	(2020)
13	(2019)	
14	(2018)	
15	(2018)	
16	(2020)	
17	(2019)	



No known breach of debt setoff data at local governments, Dept. of Revenue, Education Lottery, third-party vendors, nor Clearinghouse. Clearinghouse has assisted many local governments getting operational with debt setoff after a ransomware/breach.

Security (2 of 21)

- With NC Department of Revenue
 - Data Exchange - Transition from FTP file transfer
 - Used same transfer method to NCDOR site (2002 – April 2021)
 - o Unencrypted ASCII
 - o Could see list of all other participating agencies
 - April 2021 migrated to Five Star hosting
 - o Public and private keys
 - o Passphrase to generate
 - o GPG encryption keys (.gpg)
 - o Whitelisted to allow only specific NCDOR IPs

Recent File: 1287,208 debtors


- Created (Monday night)
- Available to NCDOR (Tuesday by 9 am)
- Deleted (once accessed by NCDOR)

Five Star requested to be first and was first to convert and host. Because of complexity, no other agencies fully implemented, nor host.

Security (3 of 21)

- **Secure File Transfer**
 - MOVEit Secure File Transfer software <http://www.ipswitch.com/moveit/>
 - Encrypted file storage
 - FIPS 140-2 Validated Cryptography
 - Regulatory/compliance Support (PCI, HIPAA, SOC, GDPR)
 - Cryptographic tamper-evident logging
 - File integrity checking

Local govts. and Five Star receive confirmation email on successful transmission.




MOVEit Places First in G2 Report for Managed File Transfer (MFT) for Summer 2021

Sharing files securely and ensuring compliance has never been more critical. That's why thousands of organizations choose MOVEit to provide stability and control over their entire transfer process.

MOVEit placed first and was designated a "leader" in the Summer 2021 G2 Report for Managed File Transfer (MFT), after being evaluated against some of the most prominent MFT vendors on the market. G2 identified various factors, including customer satisfaction, features, and functionality and market presence.

Security (4 of 21)

- **File Transfer Website**




Security (5 of 21)

I.T. Vendors

- 1) Servers/Workstations/Firewall/Cybersecurity/Disaster Recovery/Business Continuity
 - Intellisystems, Inc.: Columbia SC and Augusta GA (since 2019)
 - <http://www.intellisystems.com/>
 - Chris Hurley chrish@intellisystems.com (our CIO)
 - CISSP, CRISC, CISM, CISA, CHSP, etc.
- 2) SQL Database Administration and Programming Support
 - Lemington Consulting, Jacksonville FL (since 2013)
 - <http://www.lemingtonit.com/>
 - David Lloyd dloyd@lemingtonit.com
 - Microsoft Gold Certified Partner




Security (6 of 21) I.T. Vendors



Blue Star Computing
Intellicore Managed Services

- 24/7/365 on-site support that identifies and proactively respond to network threats.
- Controls the spread of threats by monitoring critical workstations from the network.

Vulnerability Scanning

- Continuous vulnerability scans to identify settings and configurations that are threat vulnerabilities.

Network Detection

- Detecting subtle activities and anomalous behaviors that hackers use as "Trojan" inside networks.

Advanced Endpoint Protection

- Integrated with network threat detection.
- MIT capabilities for ransomware protection.
- Proactive agent updates that work with users.

Security Awareness Training


- Proactive agent and managed patch deployment.
- Regular updates and threat intelligence.
- Centralized and granular control over user.
- 100% compliance reporting and 100%.
- 100% participation and penetration.

Technical Alignment Management

- Substantive Alignment based on proactive management framework security.
- Monitor the strategic threat of dependencies and technology and security.
- Operate in the technical "IT" to provide guidance to the IT/Cloud assets with business alignment.

Managed Risk & Incident Response

- Proactive incident response and incident response with regular updates of the incident response strategy.



- Dark web monitoring
- Firewall - allows only IPs from United States
- Suspicious behavior - automatically disconnects from


Security (7 of 21)

- Internal Vulnerability Scanning
 - Servers
 - Workstations
 - IP addresses (Internal and external)
- HIPAA Compliance
- Security Policy Management
- Penetration Tests
- Coalfire: Louisville, CO
 - <http://www.coalfire.com/>



Security (8 of 21) INTERNAL TRAINING

Welcome, Bill



Previous coursework

Power Up: Beware of Malware!
Due Date: Jul 21, 2021 | Completed: Jul 1, 2021

Download Completion Certificate

View Course

Power Up: Info and Outs of email security
Due Date: Jun 28, 2021 | Completed: Jun 22, 2021

Download Completion Certificate

View Course

Power Up: Welly Identify!
Due Date: May 19, 2021 | Completed: May 19, 2021

Download Completion Certificate

View Course

Month 12 - Advanced Awareness Topics
Due Date: Apr 20, 2021 | Completed: Apr 1, 2021

Download Completion Certificate

View Course

Security (9 of 21) INTERNAL TRAINING

Month 1 - Internet Security
Due Date: Oct 26, 2020 // Completed: Oct 8, 2020

[Download Completion Certificate](#)

[View Course](#)

Month 5 - Social Engineering
Due Date: Sep 28, 2020 // Completed: Sep 14, 2020

[Download Completion Certificate](#)

[View Course](#)

INFOSEC

Month 4 - Malware
Due Date: Aug 26, 2020 // Completed: Aug 14, 2020

[Download Completion Certificate](#)

[View Course](#)

Month 3 - Password Security
Due Date: Jul 25, 2020 // Completed: Jul 8, 2020

[Download Completion Certificate](#)

[View Course](#)

Month 2 - Phishing Deep Dive
Due Date: Jun 24, 2020 // Completed: Jun 4, 2020

[Download Completion Certificate](#)

[View Course](#)

Month 1 - Foundational Course 1
Due Date: May 24, 2020 // Completed: May 11, 2020

[Download Completion Certificate](#)

[View Course](#)

10

Security (10 of 21) PHISHING TRAINING

INFOSEC

Training Name	Start Date	End Date	Status
MS&IT Investigation Basics	07/06/2020	07/06/20	Completed
Don't Share or Discuss with me	07/07/2021	07/07/21	Completed
LINKS and Suspicious?	07/08/2021	07/08/21	Completed
Account Hijacking	07/09/2021	07/09/21	Completed
How to use Social Media	07/14/2021	07/14/21	Completed
ATTN:USCIS Security Advisories	08/04/2021	07/04/21	Completed
Microsoft Intune Migration - Microsoft	08/09/2021	07/09/21	Completed
MS&IT Policy Change	08/10/2021	07/10/21	Completed
MS&IT Password Change	08/11/2021	07/11/21	Completed
A Document has been shared with you	08/24/2021	07/24/21	Completed
Microsoft Intune Security and Compliance Reporting	08/24/2021	07/24/21	Completed
How to protect your mobile device	08/24/2021	07/24/21	Completed
Classroom remote control	07/16/2021	07/16/21	Completed
Free Security Service	08/24/2021	07/24/21	Completed
How to use Outlook	07/09/2021	07/09/21	Completed
Microsoft Product	07/09/2021	07/09/21	Completed
Classroom - Introduction	08/24/2021	07/24/21	Completed
Microsoft Office - How to use a new version	08/24/2021	07/24/21	Completed
Microsoft Office - How to use a new version	08/24/2021	07/24/21	Completed

Security (11 of 21) PHISHING TRAINING

Welcome, Bill

INFOSEC

Phishing

Flash rate

0%

You've cleared 0% of the simulated phishing attacks seen to you in the last 12 months.

[Diagnostic work items](#)

Completed: Jun 14, 2021

Report Card

You have received a simulated phishing message.

You have received a simulated phishing message. Review the Report Phishing (RPT) button below for more information.

[View More](#)

11

Security (12 of 21) INTERNAL TRAINING

Education			
Campaign Name	Start Date	End Date	% Completed
Info 2019	04/02/2019	04/02/2019	100
Info 2019	05/15/2019	05/15/2019	100
Info 2019	06/12/2019	06/12/2019	100
Info 2019	07/09/2019	07/09/2019	100
Info 2019	08/06/2019	08/06/2019	100
Info 2019	09/03/2019	09/03/2019	100
Info 2019	10/01/2019	10/01/2019	100
Info 2019	11/05/2019	11/05/2019	100
Info 2019	12/02/2019	12/02/2019	100
Info 2020	01/06/2020	01/06/2020	100
Info 2020	02/03/2020	02/03/2020	100
Info 2020	03/02/2020	03/02/2020	100
Info 2020	04/06/2020	04/06/2020	100
Info 2020	05/04/2020	05/04/2020	100
Info 2020	06/01/2020	06/01/2020	100
Info 2020	07/06/2020	07/06/2020	100
Info 2020	08/03/2020	08/03/2020	100
Info 2020	09/07/2020	09/07/2020	100
Info 2020	10/05/2020	10/05/2020	100
Info 2020	11/02/2020	11/02/2020	100
Info 2020	12/02/2020	12/02/2020	100
Info 2021	01/05/2021	01/05/2021	100
Info 2021	02/02/2021	02/02/2021	100
Info 2021	03/02/2021	03/02/2021	100
Info 2021	04/06/2021	04/06/2021	100
Info 2021	05/04/2021	05/04/2021	100
Info 2021	06/01/2021	06/01/2021	100
Info 2021	07/06/2021	07/06/2021	100
Info 2021	08/03/2021	08/03/2021	100
Info 2021	09/07/2021	09/07/2021	100
Info 2021	10/05/2021	10/05/2021	100
Info 2021	11/02/2021	11/02/2021	100
Info 2021	12/02/2021	12/02/2021	100

- All employees required to complete by end of month
- Only 2 clicked phishing emails (July/Aug 2020) since began
- Phishing scores - top rank within our I.T. vendor's customers and well below national average

Phishing					
Campaign Name	# Attempts	Start Date	End Date	% Opened	% Clicked
Info 2020 - April 2021	30	04/02/2020	04/06/2021	0.819	0.893
Info 2021 - May 2021	82	04/02/2021	04/06/2021	0	0

Security (13 of 21) INTERNAL TRAINING

SECURITY AWARENESS TRAINING			
Campaign Name	Start Date	End Date	% Completed
Info 2019	04/02/2019	04/02/2019	100
Info 2019	05/15/2019	05/15/2019	100
Info 2019	06/12/2019	06/12/2019	100
Info 2019	07/09/2019	07/09/2019	100
Info 2019	08/06/2019	08/06/2019	100
Info 2019	09/03/2019	09/03/2019	100
Info 2019	10/01/2019	10/01/2019	100
Info 2019	11/05/2019	11/05/2019	100
Info 2019	12/02/2019	12/02/2019	100
Info 2020	01/06/2020	01/06/2020	100
Info 2020	02/03/2020	02/03/2020	100
Info 2020	03/02/2020	03/02/2020	100
Info 2020	04/06/2020	04/06/2020	100
Info 2020	05/04/2020	05/04/2020	100
Info 2020	06/01/2020	06/01/2020	100
Info 2020	07/06/2020	07/06/2020	100
Info 2020	08/03/2020	08/03/2020	100
Info 2020	09/07/2020	09/07/2020	100
Info 2020	10/05/2020	10/05/2020	100
Info 2020	11/02/2020	11/02/2020	100
Info 2020	12/02/2020	12/02/2020	100
Info 2021	01/05/2021	01/05/2021	100
Info 2021	02/02/2021	02/02/2021	100
Info 2021	03/02/2021	03/02/2021	100
Info 2021	04/06/2021	04/06/2021	100
Info 2021	05/04/2021	05/04/2021	100
Info 2021	06/01/2021	06/01/2021	100
Info 2021	07/06/2021	07/06/2021	100
Info 2021	08/03/2021	08/03/2021	100
Info 2021	09/07/2021	09/07/2021	100
Info 2021	10/05/2021	10/05/2021	100
Info 2021	11/02/2021	11/02/2021	100
Info 2021	12/02/2021	12/02/2021	100

PHISHING					
Campaign Name	Start Date	End Date	% Opened	% Clicked	Event
Info 2020 - April 2021	04/02/2020	04/06/2021	0.819	0.893	0
Info 2021 - May 2021	04/02/2021	04/06/2021	0	0	0

Security (14 of 21) MISCELLANEOUS

- Five Star has none of the following:
 - ✓ Web based database
 - ✓ Wireless network
 - ✓ Network attached printers
 - ✓ Network attached televisions
 - ✓ Social Media

Security (15 of 21)
INTERNAL SECURITY POLICIES

Five Star Computing Electronic Mail Policy 2020-January.doc	12/30/2019 3:10 PM
Five Star Computing Ethics Policy 2020-January.doc	12/31/2019 8:42 AM
Five Star Employee Handbook 2020-January.doc	12/30/2019 4:29 PM
Five Star Administrative Access.docx	03/19/2020 1:04 PM
Five Star Administrative Safeguards Incident Response.docx	03/12/2020 9:07 AM
Five Star DeviceMedia Physical Safeguards.docx	03/19/2020 1:04 PM
Five Star Evaluation@Policy.docx	02/20/2020 2:38 PM
Five Star Security Management Policy.docx	03/12/2020 9:07 AM
Five Star Security Officer.docx	01/26/2020 2:58 PM
Five Star Technical Safeguards.docx	02/16/2020 1:28 PM
Five Star Workforce Security.docx	03/12/2020 8:24 AM
Five Star Workstation Security.docx	02/20/2020 2:38 PM

22

Security (16 of 21)
ACCESS

- Secure Folder Access by Password AND IP Address(s)**
 - Submit IP address adds/updates to ncsetoff@ncsetoff.org
 - Contact us to review and/or modify

23

Security (17 of 21)
CHANGING PASSWORDS

- At 90 days since password last changed, an email is sent to all emails in My Account area of the secure folder
 - Client software users cannot connect to transmit (import or export)
 - Cannot import setoff file – even though received email stating setoff file was processed by Dept. or Revenue or Education Lottery
- Only needs to be done by one person

Effective May 2018: Client software users can change/reset their TRANSMIT password using admin login

24

Security (18 of 21)
CHANGING PASSWORDS

- After 97 days since password last changed, an email is sent to all emails in My Account area of the secure folder
- Five Star must unlock – cannot be done by user

Password Expiration Notification

Your "ncsetoff" account has been suspended because you have not changed your password in the last 90 days. If you need to reobtain your account, you will need to contact Five Star Computing, Inc. at 800.341.0004 / ncsetoff@ncsetoff.org.

Sincerely,
North Carolina Social Government Data Staff Clearinghouse Five Star Computing Inc.

25

Security (19 of 21)
CHANGING PASSWORDS

- ASCII/Excel Users: choose suggested or create own
- Client Users: must change in client software as admin account in Tools-Administrator-Account Info

Change Password

Current Password: []

Suggested Password: 1234567890123456


New Password: []

Repeat New Password: []

Requirements:

- Must be at least 12 characters.
- Must not contain or resemble user name.
- Must contain at least one letter and one number.
- Must not contain dictionary words.
- Must contain both upper- and lower-case letters.
- Must contain at least one non-alphanumeric character.
- Must not match any of the previous 5 passwords.

Instructions available for changing password as admin user. Request via email to ncsetoff@ncsetoff.org



26

Security (20 of 21)
Protecting Identifiable Info

- Masked Social Security Numbers in ALL provided Excel files
 - Exception:
 - all nine digits in rejected SSNs/Names from Dept of Revenue
- 90 day password requirements (7 day notice before locked requiring Clearinghouse)
- Non-client software users may not upload Excel files
- Client software users may import Excel files into client software (then recommend Excel file(s) should be deleted)
- Vendors allowed to send encrypted Excel files to their own secure folders
- Data Entry at Clearinghouse using secure hardcopy fax forms (50 or less debts)

27

Security (21 of 21)
Client Software

- **Encryption of critical data**
 - Social Security Numbers/Individual Tax identification Numbers
 - Usernames
 - Passwords
 - URL to secure site: <https://setoff.fivestarc computing.com>
- **Other Security Issues**
 - Ability to hide SSNs online and/or print by user
 - Ability to export Excel files with full (if authorized) or masked SSN

28

New Participants (1 of 1)

- **No Longer a Separate Workshop Session:**
 - Did for 20 years – very few new municipalities, agencies and Housing Authorities remain
 - New Participant Checklist:
<http://www.ncsetoff.org/NewParticipantChecklist.pdf>
 - Audio workshops on <http://www.ncsetoff.org/Training.htm>

2) New Participants - Startup (audio presentation 08:13 - 13/8/2008) 3) New Process (audio presentation 0:30 - 11/16/2007)
 4) Update of non-payment (audio presentation 6:34 - 11/24/2008) 5) Social Security Numbers (audio presentation 5:08 - 11/16/2007)

29

Hearings (1 of 2)

- **Hearing Officer:**
 - Rarely needed (most debtors do not respond)
 - Is required to be identified on the annual participation form
 - Can be the Debt setoff coordinator but an Attorney is recommended
 - Each participating department should know who is the Hearing Officer(s)

30

Hearings (2 of 2)

- **Hearing – Audio Presentation:**
 - <http://www.ncsetoff.org/Training.htm>


4) Hearings (audio presentation 6:49 - 11/16/2020)



31

Due Process (1 of 6)

- **Letters:**
 - Must be sent to last known address
 - Even if know letter will be returned
 - Should forward to new address if obtained
 - Does not have to be sent certified
 - Do NOT send BEFORE 60 days delinquent



32

Due Process (2 of 6)

- **Letters:**
 - Only have to be sent ONCE
 - Regardless of time debt remains in for collection
 - Amount can change, due to interest/fees
 - If send again, or include with new debt, debtor may believe they have new appeal period

33

Due Process (3 of 6)

- **Letters:**
 - Letterhead/envelope
 - Must be of local government's, not third-party
 - Contact information must be local government's
 - Local government can refer callers to third-party
 - Spanish version not required

34

Due Process (4 of 6)

- **Letters:**
 - Retain a copy of the letter for future proof (even if using a vendor)
 - Pdf recommended and save to external media and save according to retention records (debtors may ask/demand proof once setoff)

35

Due Process (5 of 6)

- **Letters:**
 - The Clearinghouse does NOT retain a copy of the due process letter, even if using our client software!
 - Generated pdf resides on the local government computer.
 - Local governments are responsible for the proof of due process!

36

Due Process (6 of 6)

- **Due Process – Audio Presentation:**
 - <http://www.ncsetoff.org/Training.htm>
 - 5) Due Process (audio presentation 6:30 - 11/16/2020)

37

Department of Revenue Accuracy and Timing (1 of 1)

- **The accuracy of the data (debtor and debt) submitted to Department of Revenue is critical for the possibility of being setoff**
 - SSN (critical) Entire 9 digits and first four of Last Name must match – otherwise requires manual intervention to be setoff.
 - Last Name (critical) Suffix (Sr., Jr., etc. is helpful) Cannot be a business name, even though the law allows for it
 - First Name (important) Cannot be blank
- **In addition, the time frames of when data is submitted is very important**
 - Submit as early as early January to guarantee ready for new tax year

38

Debtors (1 of 5)

- **Only methods for collection:**
 - 1) Social Security Numbers
 - 2) Individual Tax Identification Numbers (ITINs)
 - o Start with 9 and second section range of 70 – 88
 - o i.e.: 9xx-70-xxxx or 9xx-88-xxxx
 - o Currently 13,825 debtors for \$4,961,396 in debt with ITINs
 - Collected on 269 ITINs for \$41,420 since 2013

Can't submit for owners in corporation, only individual owner against their SSN, not business ID number

39

Debtors (2 of 5)

- **Statutes allow for collection against businesses:**
 - Department of Revenue's legacy system does not setoff against business identification numbers
 - unlikely for a business to get a tax refund anyway
- **Clearinghouse no longer imports debtors into software without valid looking SSNs/ITINs**
- **Clearinghouse no longer generates due process letters without valid looking SSNs/ITINs**
 - Microsoft Word template available for local governments to send their own letters

40

Debtors (3 of 5)

- **Acquiring Social Security Numbers (SSNs):**
 - Clearinghouse cannot assist in acquisition
 - Vendors available for acquisition
 - Many local governments, especially counties, have contracts

41

Debtors (4 of 5)

- **Joint Debts:**
 - Split debt amount for each person
 - Submit each SSN/ITIN and name # of Debts Non-compliant (removed once date passes)
 - Submit probable debtor with higher change of collection (i.e. working spouse)
 - Department of Revenue doesn't take from joint debtor

42

Debtors (5 of 5)

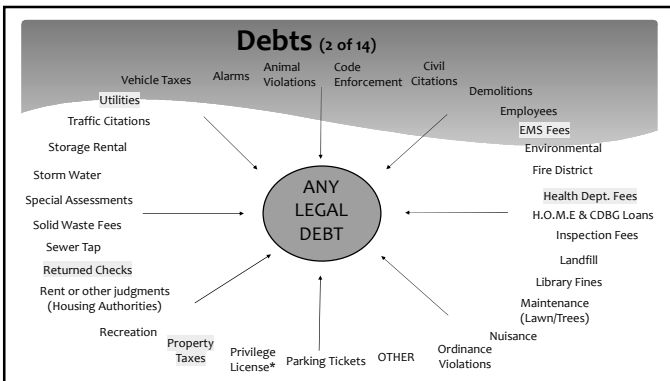
- **Bankruptcy:**
 - Must remove (change to \$0.00) any debts PRIOR to bankruptcy
 - Wait until proof but if removed/changed to \$0 prior to being denied, can restore debt amounts
- **Deceased:**
 - Not required to remove
 - Can submit against final tax refunds
 - Eventually will no longer file returns and becomes uncollectible

43

Debts (1 of 14)

- **Debt Requirements:**
 - ANY DEBT owed to a local government
 - Must be delinquent at least 60 days
 - Must be an **individual** debt, not corporate, etc.
 - Even though law allows for corporate Use SSN, first and last name
 - Must be \$50 or greater
 - Debts \$50 or more need to be submitted separately
 - Debts can be combined to meet the \$50
 - Should not combine tax debts with non-tax debts, if accruing interest
 - Clearinghouse DOES NOT combine debts, all debts stand alone!

44



Debts (3 of 14)

- **Debt Characteristics** (required for each debt):
 - Compliance Date (Start) – date local government certifies that due process letter generated/sent and at least 30 days passed
 - Expiration Date (End) – date local government chooses to cease the attempt to collect for this debt in the debt setoff program

46

Debts (4 of 14)

- **Statute of Limitations:**
 - Clearinghouse requires that debts submitted to the debt setoff program adhere to the following:
 - When the due process letters are generated and sent, there is some type of proven activity (invoice/bill, payment) within 3 years for non-tax debts and 10 years for tax debts
 - If so, debt does not have to expire
 - Local government has discretion to be more restrictive and choose not to submit debts as far back or keep in for as long



47

Debts (5 of 14)

- **Statute of Limitations – Audio Presentation:**
 - <http://www.ncsetoff.org/Training.htm>

6) Statute of Limitations (audio presentation 6:34 - 11/16/2020)

48

Debts (6 of 14)

- Criteria for Sending Weekly to Dept. of Revenue

1) Debt Amount
Must be \$50 or more

➤

2) Compliance Date
Must have passed

➤

3) Expiration Date
Must not have passed

49

Debts (7 of 14)

- Fees:**
 - Clearinghouse adds \$15 to EACH debt BEFORE sending weekly to the Dept. of Revenue (who forwards every two weeks to Education Lottery)
 - Once a \$15 fee has been taken in a calendar year, no additional fee is added (reset to \$15 next year)
 - DOR and Lottery legislated to take \$5 for EACH setoff
 - Local governments cannot add their own collection fee!

50

Debts (8 of 14)

- Priority:**
 - New debts (by SSN/ITIN and Unique Id) are marked with date and time
 - Existing debts retain their priority order
 - Debts below \$50 and/or expired are deleted at year-end, losing priority

51

Debts (9 of 14)

- **Details for Debts at Dept. of Revenue and Lottery:**
 - Each SSN/ITIN sent with one combined debt amount, including fees
 - ONLY ONE First Name, Middle Initial, Address and Debt Amount (no local govt. info provided)
 - Clearinghouse uses oldest CURRENT submission of the Full Name with SSN/ITIN
 - May not be the correct Name with this SSN/ITIN
 - Dept. of Revenue no longer provides rejected lists

Debts (10 of 14)

- **Example of Debts for a Debtor:**
 - 5 debts (2 counties, 2 municipalities)

SSN	First Name	Mid Init	Last Name	Address	City	State	Zip	Debt Amount	Debt Type	Date Loaded	LG
1 949-12-3456	Jane	Q	Public	101 Main St	Central	NC	28999	100.00	TAX VR 2012	01/15/2015	County 1
2 949-12-3456	Jane	Q	Public	101 Main St	Central	NC	28999	100.00	TAX VR 2014	01/15/2015	County 1
3 949-12-3456	Jane	P	Smith	100 East Elm St	Central	NC	28999	100.00	UTL 2014	02/18/2016	County 2
4 949-12-3456	Jane	P	Smith	100 East Elm St	Central	NC	28999	100.00	UTL 2013	12/18/2016	City 1
5 949-12-3456	John	A	Adamsson	1005 Sowinging Eq	Richdown	NC	29676	100.00	PAY 201601	01/18/2017	City 2

▪ **Combined in preparation for Dept. of Revenue**

SSN	First Name	Mid Init	Last Name	Address	City	State	Zip	Debt Amount
1 949-12-3456	Jane	Q	Public	101 Main St	Central	NC	28999	300.00

(\$5) \$100 debts

Debts (11 of 14)

- **Example of Debts for a Debtor:**
 - Original debts

SSN	First Name	Mid Init	Last Name	Address	City	State	Zip	Debt Amount	Debt Type	Date Loaded	LG
1 949-12-3456	Jane	Q	Public	101 Main St	Central	NC	28999	300.00	TAX VR 2013	01/15/2015	County 1
2 949-12-3456	Jane	Q	Public	101 Main St	Central	NC	28999	300.00	TAX VR 2014	01/15/2015	County 1
3 949-12-3456	Jane	P	Smith	100 East Elm St	Central	NC	28999	300.00	UTL 2014	02/18/2016	County 2
4 949-12-3456	Jane	P	Smith	100 East Elm St	Central	NC	28999	300.00	UTL 2013	12/18/2016	City 1
5 949-12-3456	John	A	Adamsson	1005 Sowinging Eq	Richdown	NC	29676	300.00	PAY 201601	01/18/2017	City 2

▪ **Combined and fees (5 x \$15) for Dept. of Revenue**

SSN	First Name	Mid Init	Last Name	Address	City	State	Zip	Debt Amount
1 949-12-3456	Jane	Q	Public	101 Main St	Central	NC	28999	\$75.00

\$500 + (\$5) \$15 fees

Debts (12 of 14)

- Example of Debts for a Debtor:**
 - Setoff occurs for \$500.00 from Dept of Revenue

SSN	First Name	Mid Init	Last Name	Address	City	State	Zip	Dept	Amount	Dept Type	Dept Location	City	State	Zip	Balance	Remarks
1 949-12-3456	Jane	Q	Public	300 Main St	Central	NC	28999	100.00	100.00	100.00	100.00	City 1	NC	28999	0.00	
2 949-12-3456	Jane	Q	Public	300 Main St	Central	NC	28999	100.00	100.00	100.00	100.00	City 1	NC	28999	0.00	
3 949-12-3456	Jane	J	Smith	3450 East Elm St	Central	NC	28999	100.00	100.00	100.00	100.00	City 2	NC	28999	0.00	
4 949-12-3456	Jane	J	Smith	3450 East Elm St	Central	NC	28999	100.00	100.00	100.00	100.00	City 2	NC	28999	0.00	
4 949-12-3456	Jane	A	Adams	1129 Rosemount Way	Central	NC	28999	100.00	100.00	100.00	100.00	City 2	NC	28999	0.00	

Remaining debts

\$60 + \$15

SSN	First Name	Mid Init	Last Name	Address	City	State	Zip	Dept	Amount	Dept Type	Dept Location	City	State	Zip	Balance	Remarks
5 949-12-3456	Jane	Q	Public	101 Main St	Central	NC	28999	75.00	75.00	75.00	75.00	City 2	NC	28999	0.00	

Debts (13 of 14)

- Submission to Clearinghouse:**
 - Can be submitted daily, file overwrites and remains on secure folder until Friday
 - Recommend at least weekly (Friday by 5 pm suggested)
 - Processed beginning Friday evening, ends Sunday
 - Status results provided by email by Monday
 - Changes at local government MUST be transmitted to Clearinghouse in order to be adjusted at Dept. of Revenue

Debts (14 of 14)

- Import Status Report (combined for ALL departments):**
 - # of Debtors (added/updated/rejected*)
 - # of Debts (added/updated/rejected*)
 - # of Debts Non-compliant (removed once date passes)
 - # of Debts Expired (consider extending or deleting)
 - # of Debt Amount (previous/current/difference)

Invalid SSN(s) – not nine digits, or starts with 000- or 999-
 Invalid Name(s) – blank first and/or last name

Setoffs (1 of 10)

- Occur 21 – 22 times per year
- Usually 2nd and 4th Tuesdays
- Starts in February, ends mid-December
- Deposits from Department of Revenue and Education Lottery go directly into Capital Management
- Clearinghouse informs Capital Management how much to deposit into each local government account
- Must have a Capital Management account (starts with 47) in order to participate
- Clearinghouse can only direct deposits into ONE Capital management account
- Local governments can use reports and files to internally make deposits if multiple department/account codes

2021 DOR Setoff Calendar:
<http://www.ncsetoff.org/DORCalendar.htm>

58

Setoffs (2 of 10)

- **Setoff Files Availability:**
 - When receive the following email:

ncsetoff@ncsetoff.org
 NC Local Govt Debt Setoff Clearinghouse has processed a file from NCDOR & INCEL
 - Notes:

1) For primary reasons, the NC Department of Revenue no longer provides names or address updates. This began in March 2020 and is expected to continue.

2) The new direct software version, 2021DPA, is available and recommended for all. To check your version, click HELP, About Help. To request name or email updates email ncsetoff@ncsetoff.org

3) The next scheduled setoff is Tuesday, Sept. 28

4) To view the entire 2021 Setoff Schedule

5) View your 2021 Capital Management deposits: [2021 Deposits for Counties and Agencies](#)

6) View your 2021 Capital Management deposits: [2021 Deposits for Municipalities and Township Authorities](#)

Setoffs (3 of 10)

- **Setoff Files Availability Email:**
 - REMINDERS:
 - o Transmit Balance file
 - o Other available files
 - Excel file of all setoffs
 - surplus (if any)
 - SECURITY REMINDERS
 - SURPLUS REMINDERS
 - PASSWORD REMINDERS
 - SETOFF IMPORT REMINDERS

SECURITY REMINDERS:

1. BE CAREFUL REMITTING DEPOSITS WITH SOCIAL SECURITY NUMBERS (SSNs). OUR SOFTWARE HAS SETTINGS TO REMOVAL.
2. DONOT SEND UNNECESSARY REMITS WITH SOCIAL SECURITY NUMBERS, EVEN TO THE CLEARINGHOUSE.
3. NOTIFY THE SECURITY MANAGER OF ANY SOCIAL SECURITY NUMBERS SUSPENDED FROM THE SETOFF PROGRAM.

SECURITY REMINDERS:

1. THE REMITTED DEPOSIT FILE (CLEARINGHOUSE SETOFF) CANNOT BE EDITED. THE "REMIT" BUTTON OF THE SYSTEM WILL REMIT THE SAME CITIES AND TOWNSHIP. IF THE SOCIAL SECURITY NUMBERS HAVE BEEN AND THE REMITTED FILE HAS CHANGED.
2. PLEASE CHECK THE REMITTED DEPOSIT FILE FOR ANY CITIES AND TOWNSHIP, REMITTING TO THE CLEARINGHOUSE.
3. PLEASE CONTACT THE CLEARINGHOUSE OFFICE FOR ASSISTANCE WITH ANY SETOFF REMITTING ISSUES.
4. COMPLETE A REMITTING REPORT AND SUBMIT TO THE CLEARINGHOUSE OFFICE.

60

Setoffs (4 of 10)

- **Setoff Files:**
 1. C/Mnnn.xlsx – all
 2. C/Mnnn.txt – non-client software users
 3. setoff.txt – client software
 4. match.dat - ASCII users
 5. match-TAX.dat (if requested by local govts.
 6. **surplus.xlsx** (if any identified surpluses)

Available Files: C:\999.xlsx
 Setoff.txt
 match.dat

contains full nine digit SSN deleted once processed

Setoffs (5 of 10)

- **C/Mnnn.xlsx:**
 - Contains each debt setoff
 - Identifies account number, department, amount setoff, remaining balance and fee
 - Shows multiple debts setoff for one person
 - Even debts deleted from local government
 - Shows surplus amount
 - Identifies if a different name was sent to Dept. of Revenue
 - Can sum setoff amount column to match Capital Mgt. deposit

SETOFF	AMOUNT
150.00	
60.00	
40.00	
100.00	
50.00	
31.00	
980.00	

matches Capital Mgt. deposit

Setoffs (6 of 10)

- **C/Mnnn.xlsx:**

SON	LAST NAME	FIRST NAME	UNIT	ADDRESS	CITY	STATE	ZIP	DEBT	SETOFF	SETOFF	SETOFF	CLERK/JAN		
								AMOUNT	AMOUNT	DATE	FEES	AMOUNT		
***	2184	ALBEN	JOHN	3302 ChasMcpAr Ln	Carly	NC	27237	0.00	151.54	05/18/2021	0.00	151.54	1395802713	ESMA
***	278	ALBERTON	SMITHMAN	3302 Fowndel Dr	Hickory	NC	27042	100.23	123.27	05/18/2021	13.00	1395330167	ESMA	
***	3098	ALLERTON	WHEATMAN	3003 Babbay Road	Concord	NC	27237	0.00	209.06	05/18/2021	13.00	81393	3999824145	TAX
***	3046	BRADFORO	HEATHER	870 Elm Street	High Point	NC	27237	339.72	37.28	05/18/2021	13.00	201301399428	TAX	
***	3248	COOKE	HARRIETT	1824 W. Highland Dr	Chapel Hill	NC	27516	0.00	278.81	05/18/2021	13.00	45129240100	TAX	
***	2182	GRUBNER	REBECCA	179 Berry Bee Ln	Stateville	NC	27106	95.88	47.00	05/18/2021	0.00	4382445	20 92	URL
***	0275	WILLET	MICHA	1115 Sata Dr	Concord	NC	27233	626.31	59.00	05/18/2021	13.00	36499	3617	

Dept. of Revenue no longer provides name and address

Above names are from public list from Mayflower

Setoffs (7 of 10)

- C/Mnnn.xlsx:**

SSN	LAST NAME	FIRST NAME	ACCOUNT NUMBER	DEPT	LINKAGE	LIBRARY	DATE	DATE	SOURCE	LAST NAME	FIRST NAME	INIT
***-**-1178	Alpen	John	E17-212179	EM	72407	E17-212179	11/05/2017	09/28/2017	Revenue	ALDEN	JOHN	
***-**-4142	Allerton	Isaac	20-9918	HC	51828		12/20/2013	01/01/2019	Revenue			
***-**-1009	Bradford	Feder	E13-815205	EM	52197	E13-815205	08/15/2013	01/01/2019	Revenue			
***-**-6840	Coole	Michael	2025 091254	BA	50275	19602	11/24/2016	01/01/2019	Revenue	COOLE	FRANCIS	
***-**-4048	Goodman	Richard	110-101757	DA	17962	130-101757	12/02/2017	06/17/2020	Revenue	GOODMAN	FRANCIS	
***-**-4048	Goodman	Richard	0600950	DA	70327	0600950	02/18/2017	01/01/2019	Revenue	GOODMAN	FRANCIS	

Above names are from public list from Mayflower

64

Possibly wrong person setoff

Setoffs (8 of 10)

- Surplus Excel File:**
 - Contains debts setoff identified as a surplus:
 - If recently paid and debt reduced to \$0.00
 - If debt recently deleted in client software
 - If debtor filed multiple refunds (amended/past years)
 - If debtor collected on multiple lottery tickets
 - If setoff by BOTH Dept. of Revenue and Lottery
 - If debt setoff but recently expired (review before refunding)

We DO NOT monitor if surplus files are downloaded

65

Setoffs (9 of 10)

- surplus.xlsx:** All fees put in ONE surplus

SSN	LAST NAME	FIRST NAME	DEPT	SURPLUS AMOUNT	FILE	LINKAGE KEY	AMOUNT	DEPT	STATE	ZIP	City
***-**-1213	SANDERSON	AUSTIN	E	210.00	00.00	0000	0000	0000	NC	27601	RALEIGH
***-**-3133	CLARKE	ADAM	E	130.00	0.00	00150	0000	0000	NC	27608	STIG
***-**-0229	WALLING	ACHILLE	E	88.22	10.00	00007	1300	0000	NC	27615	LITTLE

Above names are from public list from Mayflower

66

Surpluses cannot be used for additional debts that have NOT had due process!

Disclaimer: due to manual adjustments between different local governments there may be debts in this file that are NOT actually surpluses. In addition, there may be surpluses NOT included. Research any debts included to determine if a refund for overages need to be returned to the debtor. In addition, check the fee for accuracy. Contact Clearinghouse for exact details.

Setoffs (10 of 10)

- Setoff Information timeline:**
 - File information provided by Dept. of Revenue and Education Lottery (Tuesday) – usually 2nd and 4th of the month
 - Setoff files and reports available to local governments (Tuesday)
 - Remain for 10 days – please download as same file names used for next setoff!
 - Deposit information provided to Capital Management (Wednesday)
 - Deposit from Dept. of Revenue and Lottery to Capital Mgt. (Friday)
 - Funds available to local governments from Capital Management – (following Tuesday)

67

Year-end Clean-up/Expired Debts (1 of 4)

- Clearinghouse will provide an Excel file of already expired debts or those that will expire by 12/31/2021
 - Only last four of SSN/ITIN is provided
 - Client software users can view entire SSN/ITIN (with access rights) using Report-Expiration
 - We will send an email, with instructions, after placing in your secure folder (automatically deleted after 10 days but can be restored)
 - All Departments in same file
 - sort/separate/distribute if necessary
 - Estimated availability– November 30, 2021

68

Year-end/Expired Debts (2 of 4)

- Sample Excel file of already expired debts or those that will expire by 12/31/2021 (file available for 10 days)

SSN	LAST NAME	FIRST NAME	ACCOUNT NUMBER	DEBT AMOUNT	EXPIRATION DATE	CURRENT ADDRESS	DEPT	STATUS	ZIP	DEPT	REPORT KEY	
***-**-7934	JULSON	SHIRLEY	805-9484859	1518.00	02/12/2021	401012020	082010877-0010	T&E PUBLIC SERVICE	FRACKTONA	NC	27005	SLF
***-**-2762	WILBERTON	ARLENE	2085-0882-01	565	12/31/2020	06/15/2017-04/20	8799-Boonye Pkwy Ln	Healy Springs	NC	27025	EMS	0035-0832-01
***-**-0086	WILBERTON	ROSEY	2087-2405-01	379	12/31/2020	09/11/2018-04/20	1118 Same Dr	Elizabethtown	NC	27033	EMS	0037-1023-01
***-**-0486	WALDRONDS	ROBERT	2085-0119	1786.00	12/31/2020	08/12/2018-04/20	1010-Home of Criss	Lincolnton	NC	27035	EMS	0039-0001-01
***-**-1883	KOONCE	LATITA	2009-1810	3146.88	12/31/2020	09/18/2011-01/09	1092-Home Drive	Northeyville	NC	27090	T&E	0040-0010-01
***-**-0988	WALSHAMER	VALERIE	2016	91.62	08/26/2020	08/12/2018-01/09	810-Brantley Court Dr	Durham	NC	27009	SLF	0041-0010-01

Above names are from public list from Mayflower

69

Year-end/Expired Debts (3 of 4)

- Avoid the need for a list from Clearinghouse. Run report to see debts expiring by end of this year (client software users)

Select many years prior – to be sure. Recommend 1/1/2000 and go to end of this year 12/31/2021

Above names are from public list from Mayflower

Year-end/Expired Debts (4 of 4)

- Also run report to see debts expiring by next year major Tax season (client software users)

Select many years prior – to be sure. Recommend 1/1/2000 and go to end of major tax season 04/30/2021. Consider choosing end of next year: 12/31/2022

Above names are from public list from Mayflower

Year-end Clean-up (1 of 4)

- Consider removing debts no longer attempting to collect on:
 - 1) Debts \$0 not setoff (GOOD) – minimal recommendation
 - Debtors who paid, entered incorrectly, bankruptcy or deceased
 - Client software users can view entire SSN/ITIN (with access rights) using Report-Expiration
 - 2) All debts less than \$50 not setoff (GOOD)
 - 3) All \$0 debts (BETTER)
 - 4) All debts less than \$50 (BEST)

Setoff report history still retained

➤ Our software has options for each of the above, BY DEPARTMENT

Avoiding Disaster/Refunds (1 of 3)

- Check Weekly Import Status Reports
 - Contact us if a substantial increase or decrease
- Process your setoff files – check setoff calendar
- Transmit Updated Balances to Clearinghouse after Setoffs OR changes to balances
 - Export to Clearinghouse-Debtor Information
- Check/reconcile Capital Mgt. deposits with Setoff Reports

Changes in your client software DOES NOT update at Clearinghouse unless TRANSMIT

2021 version of the software automatically transmits after importing setoff

73

Avoiding Disaster/Refunds (2 of 3)

- Ensure each setoff file is downloaded and processed
- Setoff Calendar:

Information +
 Metrics
 Payees

Month	11	12	1	2
Setoff	10	10	10	10

- Each 2021 deposit now on the website:

NC Local Government Setoff Data Clearinghouse - Deposit Detail 2021	8/1 Jul	2/1 Jul	8/1 Jul	2/1 Aug	8/1 Aug	2/1 Sep
11 Alexander County	\$2,171.21	\$0.00	\$1,100.74	\$1,100.00	\$2,200.74	\$1,100.74
7 Alexander County	\$3,951.03	\$0.00	\$1,107.74	\$8,177.24	\$1,616.83	\$2,951.02
10 Alleghany County	\$1,000.00	\$0.00	\$4,900.00	\$1,007.00	\$0.00	\$0.00
4 Anson County	\$4,964.46	\$327.47	\$12,900.00	\$4,665.77	\$2,347.87	\$3,311.87

Use to reconcile with Capital Mgt. statements – contact us if any 2021 setoffs need to be restored

Should be a Setoff Report in client software for each deposit date

74

Avoiding Disaster/Refunds (3 of 3)

- Ensure your I.T. is backing up your NCDebtsetoff database
- If lost or encrypted/locked via Ransomware
 - Clearinghouse can regenerate database with debtor balances currently at Clearinghouse
 - Un-recoverable data for local government:
 - Setoff history (Clearinghouse retains)
 - Debt history/adjustments
 - Users with logins and passwords
 - Letter settings

If new computer installed be sure to save NCDebtsetoff database (if used as server) AND pdfs of due process notification letters

75

Avoiding Security Issues (1 of 1)

- Never send a file with SSN/ITINs and protected identifiable information via email to us
 - We have secure folders for each local government
- Do not send an email with full SSN/ITINs
 - Call us for inquiries
- Delete ASCII and Excel files once imported into our client software

76

**Avoiding Refunds Scenario (1 of 2)

- Day 1 • Debtor comes in to pay balance on a Monday
- Day 2 • Local government TRANSMITs balances to Clearinghouse next day (Tuesday)
- Day 5 • Clearinghouse processes local government balance file on Friday
- Day 7 • Clearinghouse creates weekly file for Dept. of Revenue on following Monday

77

**Avoiding Refunds Scenario (2 of 2)


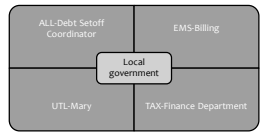
- Day 8 • Clearinghouse transmits to Dept. of Revenue prior to the weekly Tuesday deadline (10 a.m.)
- Day 8 • Dept. of Revenue loads Clearinghouse file Tuesday evening
- Day 9 • Debtor who paid balance the previous Monday can now file tax refund (9 days later)
- Day 15 • Debtor who paid balance the previous Monday can now claim a \$600+ lottery ticket

78

Interactive Voice Response (IVR)

- Debtor receives letter from N.C. Department of Revenue with local government toll free number (877) 843-0330 to find out who has submitted debts
- Local governments can list as many contacts as have debt types
 - Suggest a department/section or just first name

Debtors often do not listen to entire recording (listed at random)

79

Department of Revenue Refunds/Fraudulent Returns (1 of 3)

- **Reasons for Dept. of Revenue requesting funds be returned from local governments:**
 - Taxpayer and/or preparer filed fraudulent return
 - Joint return may have names reversed from first ever submission causing wrong person to be setoff
 - May not be a valid refund:
 - Garnishment overpayment
 - Bill overpayment

80

Department of Revenue Refund Request (2 of 3)

- **Why is a Local Government required to return funds to the Department of Revenue on a legitimate debt?**
 - Due to the General Statute (G.S. 105-259) regarding confidentiality, the Department of Revenue cannot disclose the reason(s) for the return of funds
 - Please return funds as soon as possible as interest may apply

Dept. of Revenue has the authority to instruct a local government to return setoff amount and fees.

81

Department of Revenue Refund Request (3 of 3)

- **If the Department of Revenue requests a refund:**
 - **NOT OPTIONAL or for investigation against other debts** Signed Participation form refers to this
 - Department of Revenue cannot and will not explain due to privacy laws
 - Local governments receive a copy of the official letter from Department of Revenue along with detailed instructions from NCACC or NCLM
 - Local government must return the amount the Clearinghouse deposited into the local government account
 - Department of Revenue returns their \$5 fee, Clearinghouse returns their fee (if taken)
 - Outstanding refunds more than 30 days may be subject to interest fee

Debt can and should be restored for possible future collection. Must be done manually in client software.

Dept. of Revenue Refund Requests (1 of 1) NCACC/NCLM

- **NC League of Municipalities and NC Association of County Commissioners**
 - Emails information and instructions to local government from information provided by Department of Revenue and Clearinghouse
 - Once payment received from local government, NCACC/NCLM sends funds along with Clearinghouse fee (if any) to Department of Revenue

Year	Dept. Revenue Refund Requests (as of Sept. 30, 2021)	Number of Setoffs
2021	13	91,848
2020	43	115,566
2019	79	106,837
2018	61	115,545
2017	51	125,292
2016	81	111,586

Refunds and Surpluses (1 of 2)

- **Refunds are requested through NCACC or NCLM on behalf of the Dept. of Revenue**
 - Local government returns amount received (can restore debt amount)
 - NCACC/NCLM returns fee (if taken)
 - Department of Revenue returns \$5.00 fee
- **Surpluses occur when more than amount owed by debtor was taken by Dept. of Revenue and/or Education Lottery**
 - Debtor files multiple tax refunds in short period of time
 - Debtor claims more than one lottery winning of \$600 or more in short period of time
 - Debtor pays debt too soon (even AFTER) filing tax refund/claiming lottery winning
 - Debt is setoff soon after debt expired (review before automatically refunding)
 - Surpluses (except \$15 fee only) provided in separate excel file with setoff information
 - No longer includes Department of Revenue name or address
 - Verify before sending surpluses
 - Cannot apply surplus to other debts that haven't been given due process:

Refunds and Surpluses (2 of 2)

- Clearinghouse provides information regarding surpluses
- Excel file: surplus.xlsx

SN	LAST NAME	BRN NAME	UNIT	AMOUNT	FEE	UNIT/UNIT KEY	ADDRESS	CITY	STATE	ZIP	Descr
***-2225	ASTON	J	343.82	15.00	1.27%	308 WASHINGTON ST	CENTRAL	NC	20550	3028	WFL
***-2142	AWGART	MADCLINE	324.42	15.00	9.93%	5489 BELMONT BLVD	FAIRFIELD	NC	27530	4808	TAK
***-2559	BIRNBAUM	HENRY	52.52	15.00	1.88%	2422 MIDCLOUGHWOOD DR	HANDSPRINGVILLE	NC	27530	7704	WFL

- If a surplus.xlsx is provided, be sure someone downloads and researches
 Suggest renaming surplus file with date => i.e. surplus-20210924.xlsx
- Probably no need to refund the fee, if timing. However, if local government made an error, probably also need to refund Dept. of Revenue or Lottery \$5 fee

85

Email (1 of 8)

• Three different email systems/methods:

1. Secure folder
 - File Upload confirmation
 - Password expiring/password suspended
2. Setoffs processed/import status
3. Newsletters/Information

We are often marked as SPAM.

Please ask I.T. to whitelist: @ncsetoff.org @fivestarc computing.com

86

Email (2 of 8)

• Email List #1: Secure Folder:

- File Upload Confirmation

1 File Received			
<input type="checkbox"/>	From / Sample Local Government	Date and Time	Size
<input type="checkbox"/>	COOPER184	10/04/2021 9:02:02 PM	2.085.574
			86277054

87

Email (3 of 8)

- **Email List #1: Secure Folder:**
 - Password Expiration Warning (7 day warning before Locked, must be changed before able to connect)

Your Password Has Expired and Must Be Changed Now

We require that passwords be changed every 90 days and your password has now expired. Your "Access2IT" account will no longer have access to our system until you sign on with your old credentials and change your password.

If you do not change your password using this procedure in the next 8 days your "Access2IT" account will be automatically suspended and you will not be allowed to change your password using your old credentials.

If you need assistance, please contact Five Star Computing, Inc. at (803) 361-4056 / scott@fivestarit.com

Client software users: Transmit password only – not login to software

Can change if sign on as admin within 7 days

Email (4 of 8)

- **Email List #1: Secure Folder:**
 - Password Expiration Notification (7 day warning passed without change – account is locked and requires Clearinghouse reset)

Password Expiration Notification

Your "Access2IT" account has been suspended because you have not changed your password in the last 90 days.

If you need to reactivate your account, you will need to contact Five Star Computing, Inc. at (803) 361-4056 / scott@fivestarit.com

Client software users: Transmit password only – not login to software

Email (5 of 8)

- **Email List #2: Notification of Funds Received**

NC Local Govt Debt Setoff Clearinghouse has processed a file from NCDOR & NCEL

Note: we send maximum 70 per hour to reduce possibility of being identified as Spam. May take two days to complete. Can access files FRUG to email receipt. Use Setoff Calendar and begin checking as early as Tuesday afternoon.

Word "totony" in body may cause rejection

Email (6 of 8)

- **Email List #2: Import Status Report**
 - Client software/data entry users:

N.C. Local Govt. Debt Setoff Clearinghouse has successfully imported your data file: C043XMIT.txt
 - ASCII participants:

N.C. Local Govt. Debt Setoff Clearinghouse has successfully imported your data file: DSO_CLEARINGHOUSE_FILE_09-14-2018_0830.txt

Note: we send maximum 70 per hour to reduce possibility of being identified as Spam.

91

Email (7 of 8)

- **Email List #3:**
 - Newsletter/Technical Bulletins
 - Workshop Notifications/Reminders
 - Miscellaneous

Types (4)	Emails (1,559)
Counties/Agencies	590
Municipalities	801
Data Entry	118
Housing Auth.	50

Note: we send maximum 70 per hour to reduce possibility of being identified as Spam.

92

Email (8 of 8)

- **To update any or all three of these email lists:**
 - send email to ncsetoff@ncsetoff.org with additions, edits or deletions OR request a list of one or all three
 - If emails cease, ask your I.T. to whitelist :
 - fivestarccomputing.com
 - ncsetoff.org

93

2022 Participation Form (1 of 9)

2022 Annual Participation Form

2022 PARTICIPATION FORM IS NOW AVAILABLE! AN UP-TO-DATE 2022 FORM WILL BE SENT WITHIN DAYS TO COUNTY DEBT TO BE FORTH COMING.

- PLEASE FILL OUT THIS FORM TO ASSIST IN THE COMPLETION OF THE 2022 PARTICIPATION FORM
- ONLY FORMS SUBMITTED FOR A LOCAL GOVERNMENT ENTRY - COVERS ALL DEPARTMENTS
- THE ORGANIZATION AND CONTACT CAN BE THE SAME PERSON
- CLICK HERE TO VIEW THE 2022 PARTICIPATION FORM INSTRUCTIONS
- PLEASE VISIT www.mnstateoff.org/2022ParticipationForm.htm

11) State:

12) Local Government Name:

13) Type of Participant:

- County
- State & Local Govt. Inc. (SGLI)
- State Department (SDA) (A-E, H-I)
- Metropolitan Council (M-C)
- Metropolitan Council (M-C) (A-E, H-I)
- Metropolitan Council (M-C) (A-E, H-I)
- Metropolitan Council (M-C) (A-E, H-I)
- Metropolitan Council (M-C) (A-E, H-I)
- Metropolitan Council (M-C) (A-E, H-I)

14) If a municipality providing services - select Other/Transit/Police, not Water & Sewer (SDA, A-E, H-I)

15) Contact Name:

16) Contact Title:

17) Contact Phone Number:

18) Contact Email Address:

19) Contact Mailing Address:

2022 Participation Form (2 of 9)

20 Contact Name:

Contact for debtors. May be the same person as Contributor

21) Contact Phone Number:

22) Contact Email Address:

23) Contact Mailing Address (not used for reporting):

24) Contact Mailing Address (not used for reporting):

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EMS	Customer Services	919-555-1012
Tax	Tax Office	919-555-1014
HLT	Patient Billing	999-555-1061 ext. 345
UTL	Susan	919-555-1876

Phone Number must be to the local government, NOT the vendor!

2022 Participation Form (3 of 9)

19) Other Types of debts not listed above:

20) Name of person completing this form:

21) Title of person completing this form:

22) Email Address of person completing this form:

23) Contact Mailing Address (not used for reporting):

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This is step #1 of 2. The 2nd step is the electronic signature. A local government is not fully compliant to participate in 2022 until both steps are complete. However, 1st step guarantees debts will not be deleted at beginning of new year.

2022 Participation Form (4 of 9)



2022 Annual Participation Authorization Form

I. Local Government Name: _____ (Print Name)

II. Local Agency Authorized Official: _____ (Signature/Title)

III. Authorized Official Title: _____

The above named Authorized Official should forward said Agency name above will follow the written notice and hearing requirements pursuant to 800 Chapter 10A and the Memorandum of Understanding prior to submitting new debts to the NC Local Government Debt Settlement Clearinghouse. By electronically signing below, the authorized official understands and agrees to the requirements of both the General Statutes and the Memorandum of Understanding. The authorized official understands and agrees to the terms, conditions and restrictions of the information forms and the terms of the Memorandum of Understanding. The authorized official understands and agrees to the requirements of the General Statutes and the Memorandum of Understanding and the information forms to which such will have additional attention.

In 2018 a change went into effect that no longer required a "wet" signature that had to be mailed to NCACC or NCLM. Since original documentation forms to participate may have been done as early as 2001 by a prior official, this is an affirmation of adherence to the rules and regulations.

2022 Participation Form (5 of 9)

1. Due process notification letters are required. Complete information about these letters may be found on the Information/Forms webpage under "Sample Notification – Appeals – Tracking" and examples are provided. As reminders, the letters MUST:

- a. be a separate letter (cannot be part of a standard bill/invoice)
- b. be on Local Agency's letterhead, not a third-party vendor's
- c. contain contact information for the Local Agency, not a third-party vendor's
- d. reference the General Statutes and Clearinghouse fee
- e. provide details regarding the debt, total amount due and may accrue additional interest
- f. be sent to last known address (even if certain it will be returned)
- g. be saved as a hardcopy and/or electronic copies of letters sent
- h. be mailed at least 30 days before debt is sent to the Clearinghouse, unless Compliance Date on debt is 30 or more days from date letter was mailed
- i. NOT include Social Security Numbers (SSNs) or individual Tax Identification Numbers (ITINs)

This is step #2 of 2. The 2nd step is the electronic signature. A local government is not fully compliant to participate until both steps are complete. However, 1st step guarantees debts will not be deleted at new year.

2022 Participation Form (6 of 9)

2. Refund Requests from the Department of Revenue (through the NCACC/NCLM) are not optional or for consideration and must be processed expeditiously and according to instructions from NCACC/ NCLM.

3. Clearinghouse will have contact information for all local government departments participating

- a. Someone in administration/finance will process external vendor file imports if client software and/or a contact is not available or declines to assist
 - i. Ex: Clearinghouse will not import a vendor Tax file through the local government health department

This is step #2 of 2. The 2nd step is the electronic signature. A local government is not fully compliant to participate until both steps are complete. However, 1st step guarantees debts will not be deleted at new year.

2022 Participation Form (7 of 9)

Setoff files must be downloaded within 30 days after made available in order to: a) respond to debtor inquiries; b) provide surplus refunds for over payment collections; c) provide reporting support for deposits into Capital Management. **Not doing so may result in temporary removal of all debts until setoff file downloads are current. (New for 2022)**

This is step #2 of 2. The 2nd step is the electronic signature. A local government is not fully compliant to participate until both steps are complete. However, 1st step guarantees debts will not be deleted at new year.

100

2022 Participation Form (8 of 9)

5. You must ensure security procedures are in force:

- a. up-to-date virus protection, malware, etc. for servers and workstations
- b. files with Social Security Numbers must be protected
 - i. strategy recommended deleting impors files once imported into client software encrypted database
- c. passwords will be controlled and changed due to staff changes
- d. unsecured emails to the Clearinghouse will not have any Social Security Numbers or ITINs, in full or partial, in the email or in an attachment
- e. be advised that the Clearinghouse provides security options:
 - i. Free client software that encrypts social security numbers, userids and passwords
 - ii. allows for masking of SSNs/ITINs (online and/or print)
 - iii. Free data entry options that accept fax forms with debtor information so local Agency does not have to maintain electronic versions of social security numbers
 1. available for local governments starting with 50 or less debtors/debts
 2. once a local government has 100 or more debtors and/or debts they must convert to the free client software

This is step #2 of 2. The 2nd step is the electronic signature. A local government is not fully compliant to participate until both steps are complete. However, 1st step guarantees debts will not be deleted at new year.

101

2022 Participation Form (9 of 9)

• Check the status of your 2022 Participation form

www.ncsetoff.org/participants.htm

2022/2022 YEAR PARTICIPATION SLA TAB
 # of Local Governments 492/1,000/2 Participation Forms - 40/1,711 (as of September 20, 2021)
 all forms comply for 98% if no provision was filed to the staff of local government name
 2021 participation forms have been 3 completed with other 3 requirement completed

--> COOPERATES - (584/932) <--			
ALABAMA	CONNECTICUT	INDIANA	LOUISIANA
ALASKA	DELAWARE	ILLINOIS	MARYLAND
ARIZONA	FLORIDA	MISSISSIPPI	MICHIGAN
ARKANSAS	GEORGIA	MINNESOTA	MISSOURI
CALIFORNIA	IDAHO	MONTANA	NEBRASKA
COLORADO	KANSAS	NEVADA	NEBRASKA
CONNECTICUT	KENTUCKY	NEW HAMPSHIRE	NEBRASKA
DELAWARE	KY	NEW JERSEY	NEBRASKA
FLORIDA	LA	NEW YORK	NEBRASKA
GEORGIA	MA	NORTH CAROLINA	NEBRASKA
IDAHO	MD	NORTH DAKOTA	NEBRASKA
ILLINOIS	ME	OHIO	NEBRASKA
INDIANA	MI	OKLAHOMA	NEBRASKA
IO	MO	OREGON	NEBRASKA
IO	MS	PENNSYLVANIA	NEBRASKA
IO	MT	RHODE ISLAND	NEBRASKA
IO	NE	SOUTH CAROLINA	NEBRASKA
IO	NH	SOUTH DAKOTA	NEBRASKA
IO	NJ	TENNESSEE	NEBRASKA
IO	NM	Texas	NEBRASKA
IO	NY	UTAH	NEBRASKA
IO	NC	VIRGINIA	NEBRASKA
IO	ND	WASHINGTON	NEBRASKA
IO	OH	WEST VIRGINIA	NEBRASKA
IO	OK	WISCONSIN	NEBRASKA
IO	OR	WYOMING	NEBRASKA

Due by end of December or debts will be removed in early January and priority lost.

102

Clearinghouse Technical Support

- **Monday – Thursday: 8:30 a.m. to 5 p.m. - Fridays until 4 p.m.**
 - Live toll-free support: (866) 265-1668
 - Conference calls (3 way) with Dept. of Revenue, vendors, I.T., etc.
 - Free remote support using Cisco WebEx
 - Debtor Inquiries – current and past years (2015 – 2020)
 - Client Software Support includes these and more:
 - Change TRANSMIT password
 - Import ASCII/Excel files from Internal and/or vendors
 - Generate notification letters and pdfs
 - Change Expiration and Compliance Dates, process Year-end clean-up
 - Install software, upgrades, provide instructions and training
 - Set-up and train new users
 - Transfer encrypted database to new server (certification keys maintained by Clearinghouse)

Cisco Webex survey at completion of a remote session does not provide information back to Five Star – so completely optional.

NC Staff

Bill

Becca

Billie

Fran

Grace

Contact Information

Name	Contact Info
Matthew Bigelow N.C. Association of County Commissioners Project Development Manager	matt.bigelow@ncacc.org www.ncacc.org (919) 715-4367
Dave Welker N.C. League of Municipalities Director of Finance	dwelker@nclm.org www.nclm.org (919) 715-8719
Bill Walsh President, Five Star Computing Operations Manager, NC Local Government Debt Setoff Clearinghouse	ncsetoff@ncsetoff.org www.ncsetoff.org (866) 265-1668
Other Resources: N.C. Department of Revenue	(919) 814-1120
NC Education Lottery	(919) 301-3531 or 301-3331
Capital Management	(800) 222-3232
