

# Disclaimer

- Some of the following slides may be changed or even removed before October 10 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 3
- 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 2, 2023 – 3:17 P.M.

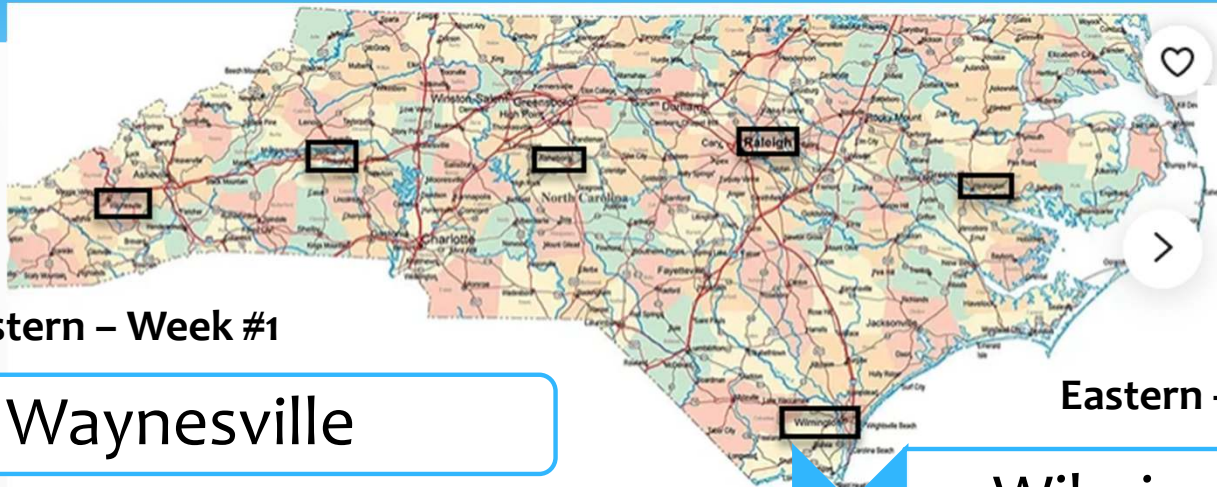
NORTH CAROLINA LOCAL GOVERNMENT

# DEBT SETOFF CLEARINGHOUSE

## 2023 TRAINING WORKSHOP



# 2023 Training Workshops (23rd Year)



## Western – Week #1

Oct. 10

- Waynesville

Oct. 11

- Newton

Oct. 12

- Asheboro

## Eastern – Week #2

Oct. 24

- Wilmington

Oct. 25

- Washington

Oct. 26

- Raleigh

## Tentative Schedule

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

Will not go beyond 12:00 – but will stay for questions/conversation



# Detailed Agenda

- Purpose of Workshops
- New Participants
- Hearings
- Five Star Computing
  - Security
- Due Process
- Dept. of Revenue Requirements
- Debtors
- Debts
- Statistics
- Setoffs
- Adjustments
- Year-end Cleanup
- Expired Debts
- Year-end Cleanup
- 2024 Participation Form
- Avoiding Disaster/Refunds
- Avoiding Security Issues
- Avoiding Refunds
- Preparing for 2024
- Interactive Voice Response
- Dept. of Revenue Requests
- Refunds and Surpluses
- Email Types
- Support and Contact Information

# Virtual Version of Today's Workshop

- Zoom meeting for counties, agencies, municipalities, housing authorities and vendors
  - Wednesday, November 1
  - 9:30 – 11:30 a.m.
  - Requires online registration  
<http://www.ncsetoff.org/2023VirtualWorkshopRegistration.htm>

# Excluded From Today's Agenda

- Client Software
  - Special 1 ½ hour Zoom meeting for counties, agencies, municipalities and housing authorities
    - Wednesday, November 29
    - 10:00 – 11:30 a.m.
    - Requires online registration
      - <http://www.ncsetoff.org/2023VirtualSoftwareRegistration.htm>

# Training Workshop Purpose

- Once a year opportunity for both new and returning users of debt setoff
  - Discuss security
  - Reiterate hearings, laws, regulations and requirements
  - Preparing for 2023 year-end
  - Preparing for upcoming 2024 tax year



# 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 18:11 - 11/9/2020)

3) New Participants - Technical (audio presentation 18:50 - 11/9/2020)

5) Due Process (audio presentation 6:30 - 11/16/2020)

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

7) Social Security Numbers (audio presentation 5:08 - 11/16/2020)

# 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)

# Hearings (2 of 2)

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

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



## Five Star Computing, Inc. (1 of 2)

- Contracted administrators for the NC Local Government Debt Setoff Clearinghouse (since inception in 2002) for NCACC and NCLM
- Also contracted administrators for SC Counties Debt Setoff (since inception in 1992\*) for SC Association of Counties
- Located in Columbia, SC

# Five Star Computing, Inc. (2 of 2)

- Employees - Year Started / (Years Known)
  - Bill – 1997
  - Drew – 1997 (37 yrs.) – Business Partner
  - Becca – 2013 (32 yrs.) - Daughter
  - Marcia – 2012 (31 yrs.) – SC Dept. of Revenue
  - Fran – 2010 (23 yrs.) – State of SC I.T.
  - Billie – 2014 (10 yrs.) – Bank I.T. Security
  - Grace – 2019 (5 yrs.) - First Full-time job

Other Staff Average Years at Five Star: 13+  
Other Staff Average Years known: 23

# Security (1 of 15)

- **Secure File Transfer**

- MOVEit Secure File Transfer software <http://www.progress.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.

1 File Received	
/Home/Sample NC Local Government	
File Name	Date and Time
C999XMIT.txt	9/19/2022 11:08:30 AM

Transmit	Letters	Tools	Interest
Export To Clearinghouse ▶			
Import From Clearinghouse ▶			

Analyst Report

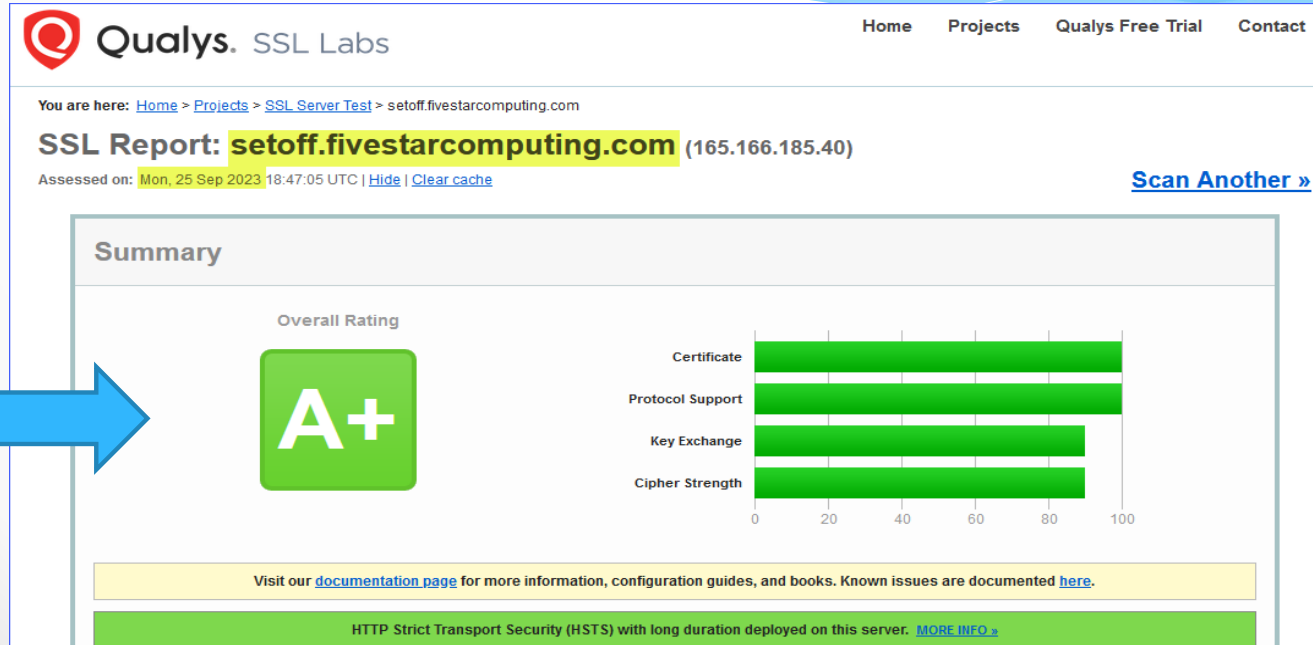
**MOVEit Places First in G2 Report for  
Summer 2022 Managed File Transfer**

MOVEit Wins Cyber Security Global Excellence Awards – May 2022



# Security (2 of 15)

- File Transfer Website



# Security (3 of 15)

## 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](mailto: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 [dlloyd@lemingtonit.com](mailto:dlloyd@lemingtonit.com)
    - Microsoft Gold Certified Partner



**LEMINGTON CONSULTING**  
*Quality, Innovative I.T. Solutions*

**Best Enterprise Software Consulting  
Company - USA**

In 2021, Lemington Consulting was recognized as Best Enterprise Software Consulting Company (USA) by Corporate Vision



# Security (4 of 15)

## I.T. Vendors



### Five Star Computing IntelliSystems Managed Services

#### Next Generation Antivirus

- Intelligent anti-virus solution that identifies and protects against advanced threats.
- Controls the spread of threats by quarantining effected workstations from the network.

#### Vulnerability Scanning

- Daily internal vulnerability scans to identify settings and configurations that are known vulnerabilities.

#### Foothold Detection

- Detecting vulnerabilities and persistence mechanisms that hackers use as "footholds" into the network.

#### Advanced Endpoint Protection

- Managed SOC with real-time threat detection.
- 24/7 operation for constant protection.
- Protects against attacks that evade anti-virus.

#### Security Awareness Training

- Program designed and managed by IntelliSystems.
- Ongoing, aggressive phishing campaign.
- Send at least one phish email per week per user.
- 0.7% phish rate. Industry average is 27.0%.
- Mandatory monthly training courses.
- 100% participation and completion.

### Technical Alignment Management

- Dedicated Network Administrator focused solely on proactive management for network security.
- Measures the network against thousands of standards created from industry best practices.
- Serves as the technical SME to provide guidance to the vCIO which assists with business objectives.

### Managed Backup & Disaster Recovery

- Hourly encrypted backups to a hardened onsite backup appliance with nightly offsite replication of the encrypted backup images.

1115 Greene Street  
Augusta, GA 30901  
706-722-2024

1122 Lady Street, Suite 850  
Columbia, SC 29201  
803-563-6363

[www.intellisystems.com](http://www.intellisystems.com)



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

# Security (5 of 15)

- 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 (6 of 15)

## INTERNAL TRAINING

# INFOSEC

Welcome, Bill

Dashboard // Previous coursework

### Previous coursework

#### Just the Facts: Social Engineering

Due Date: Oct 10, 2023

Completed: Sep 1, 2023

[Download Completion Certificate](#)

[View Course](#)

#### Just the Facts: Password Security

Due Date: Sep 9, 2023

Completed: Aug 17, 2023

[Download Completion Certificate](#)

[View Course](#)

# Security (7 of 15)

## INTERNAL TRAINING

INFOSEC

Public Wi-fi	Removable Media	Phishing	Safe Web Browsing
Mobile Security	Malware	Social Engineering	Working Remotely
Physical Security	Password Security	Why Ask Why	Connected World
Anatomy of an Attack	Always Think About Consequences	Security On the Move	Keeping Data Private and Secure
Brighter and Better	Protect Your Data	Clean and Secure	Beware of Malware

# Security (8 of 15)

## INTERNAL TRAINING

**INFOSEC**

Annual Security and Privacy	Privacy and Data Security	Phishing Refresher	Internet Security
Malware Refresher	Password Security Refresher	Phishing Deeper Dive	Email Security
Verify Identity	Advance Awareness	Mobile, Wireless and Remote Access	

# Security (9 of 15)

## PHISHING TRAINING

INFOSEC

### Phishing details

Subject	Date Sent	Attack Type	Status
You missed a meeting	09/13/2023	Drive By	Reported (09/13/2023)
{{customer}} sent you a Visa virtual gift card	09/06/2023	Drive By	Reported (09/05/2023)
Holiday Inn - Booking Confirmation #318297391	09/01/2023	Drive By	Reported (09/04/2023)
Login notification from PayPal	08/31/2023	Drive By	Reported (08/30/2023)
[Action Required] You annual performance review is ready	08/31/2023	Drive By	Unopened
Your shipment has been delayed	08/30/2023	Drive By	Reported (08/29/2023)
Thanks for signing!	08/04/2023	Drive By	Reported (08/03/2023)
{{customer}} shared "presentation" with you	08/04/2023	Drive By	Reported (08/03/2023)
iCloud — New sign-in notification	08/02/2023	Drive By	Unopened
{{Learner}} tax information file	08/02/2023	Drive By	Reported (08/01/2023)
{{customer}} clothing items - now available!	07/25/2023	Drive By	Unopened
[Action Required] Policy Acknowledgement	07/21/2023	Drive By	Reported (07/20/2023)
[Uber] Your account may have been compromised	07/18/2023	Drive By	Reported (07/18/2023)
[Zoom] Update required for your account	07/14/2023	Data Entry	Reported (07/14/2023)

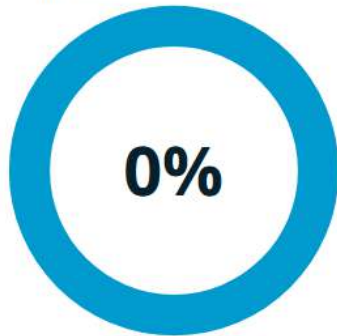
# Security (10 of 15)

## PHISHING TRAINING

INFOSEC

### Phishing

Phish rate

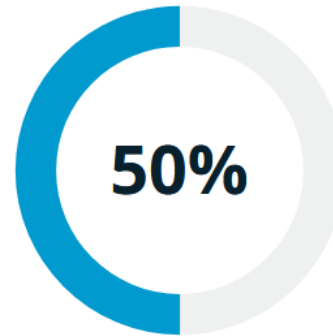


You've clicked 0% of the simulated phishing attacks sent to you in the last 12 months.

Organization rank (1/7)

Updated: September 14, 2023

Report rate



You've reported 50% of the simulated phishing attacks sent to you in the last 12 months.

Organization rank (4/7)

Updated: September 14, 2023

# Security (11 of 15)

## INTERNAL TRAINING

SECURITY AWARENESS TRAINING				
Campaign Name	Start Date	Enrollment	% Started	% Completed
May-23	05/01/2023	7	100	100
Jun-23	06/01/2023	7	100	100
Jul-23	07/01/2023	7	100	100
Aug-23	08/01/2023	7	100	100
Sep-23	09/01/2023	7	100	100

Campaign Name	Start Date	Full Name	Status
Jul-23	07/01/2023	Becca Walsh	Complete
Aug-23	08/01/2023	Becca Walsh	Complete
Sep-23	09/01/2023	Becca Walsh	Complete
Jul-23	07/01/2023	Bill Walsh	Complete
Aug-23	08/01/2023	Bill Walsh	Complete
Sep-23	09/01/2023	Bill Walsh	Complete
Jul-23	07/01/2023	Billie Mills	Complete
Aug-23	08/01/2023	Billie Mills	Complete
Sep-23	09/01/2023	Billie Mills	Complete
Jul-23	07/01/2023	Drew Bryant	Complete
Aug-23	08/01/2023	Drew Bryant	Complete
Sep-23	09/01/2023	Drew Bryant	Complete
Jul-23	07/01/2023	Fran McClary	Complete
Aug-23	08/01/2023	Fran McClary	Complete
Sep-23	09/01/2023	Fran McClary	Complete
Jul-23	07/01/2023	Grace Wilkerson	Complete
Aug-23	08/01/2023	Grace Wilkerson	Complete
Sep-23	09/01/2023	Grace Wilkerson	Complete
May-23	05/01/2023	Marcia Padgett	Complete
Aug-23	08/01/2023	Marcia Padgett	Complete
Sep-23	09/01/2023	Marcia Padgett	Complete

# INFOSEC





PHISHING			
Occurred Date	Full Name	Spam Type	Event
No users were phished this month.			

- All employees required to complete by end of month
- Only 2 employees ( 1 each) clicked phishing emails (July/Aug 2020) since began
- Phishing scores – we are top rank within our I.T. vendor's customers and well below national average















# Security (12 of 15)

## MISCELLANEOUS

- Five Star has none of the following and will NEVER have:
  - ✓ Web based database
  - ✓ Wireless network 
  - ✓ Network attached printers
  - ✓ Network attached televisions
  - ✓ Social Media   

# Security (13 of 15)

## 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	02/19/2020 1:29 PM
 Five Star_Administrative_Safeguards_Incident_Response.docx	03/12/2020 9:07 AM
 Five Star_DeviceMedia_Physical_Safeguards.docx	02/19/2020 1:29 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_SecurityOfficer.docx	01/28/2020 2:58 PM
 Five Star_Technical_Safeguards.docx	02/19/2020 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

# Security (14 of 15)

## ACCESS


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

User Profile (Sample Local Government)

### Remote Access Ruleset

The following (custom) ip/hostname permissions apply to this user and this user only.

Rule	Hostname/IP	Comment
Allow	.210.58.246	John - Sept 2022
Allow	.193.61.52	Ronda L
Allow	.193.52.68	

- 
- ALL non-US IP addresses are blocked

# Security (15 of 15)

## Client Software

- **Encryption of critical data**
  - Social Security Numbers/Individual Tax identification Numbers
  - Usernames
  - Passwords
  - URL to secure site: <https://setoff.fivestarcomputing.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
  - Restrict users to only allowed department/account codes

# 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**



## 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

## 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

## 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)



## Due Process (5 of 6)

- **Letters:**

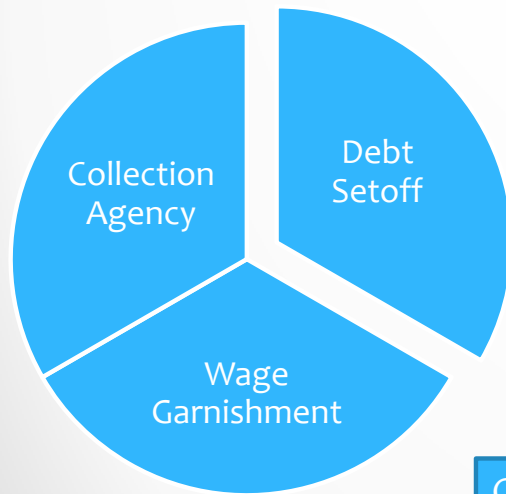
- The Clearinghouse does NOT retain a copy of the due process letter, even if using our client software!
  - Generated pdf resides on the local government computer.
- Local governments are responsible for the proof of due process!

## 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)

# Methods of Collection (1 of 1)



Can do multiples, even simultaneously.  
Be sure to modify balances in other  
methods if collect in any one.

Clearinghouse does NOT send information to any credit  
reporting entities.

Clearinghouse ONLY sends to the NC Department of  
Revenue who then shares with NC Education Lottery.

# Department of Revenue

## Accuracy (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)

Cannot be blank – Suffix (Jr, Sr, III, etc.) also helps

- First Name (important)

Cannot be blank – Middle initial optional

Cannot collect on a business name, even though the law allows  
(ONE EXCEPTION – another local government previously  
submitted same SSN with Last and First Name)

No Drivers License Numbers nor Business IDs will be setoff !

## Debtors (1 of 5)

- **Only methods for collection:**
  - 1) Social Security Numbers
  - 2) Individual Tax Identification Numbers (ITINs)
    - Start with 9 and second section range of 70 – 88
    - i.e.: 9xx-70-xxxx or 9xx-88-xxxx
      - Currently 21,751 debtors for \$5,196,399 in debt with ITINs

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

## 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

## Debtors (3 of 5)

- **Acquiring Social Security Numbers (SSNs):**
  - Clearinghouse cannot assist in acquisition
  - Vendors available for acquisition (contact us for recommendations)
  - Many local governments, especially counties, have contracts (check with Finance, Tax, Police)

Local governments are allowed to acquire/contract to obtain SSNs.

## 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



## 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

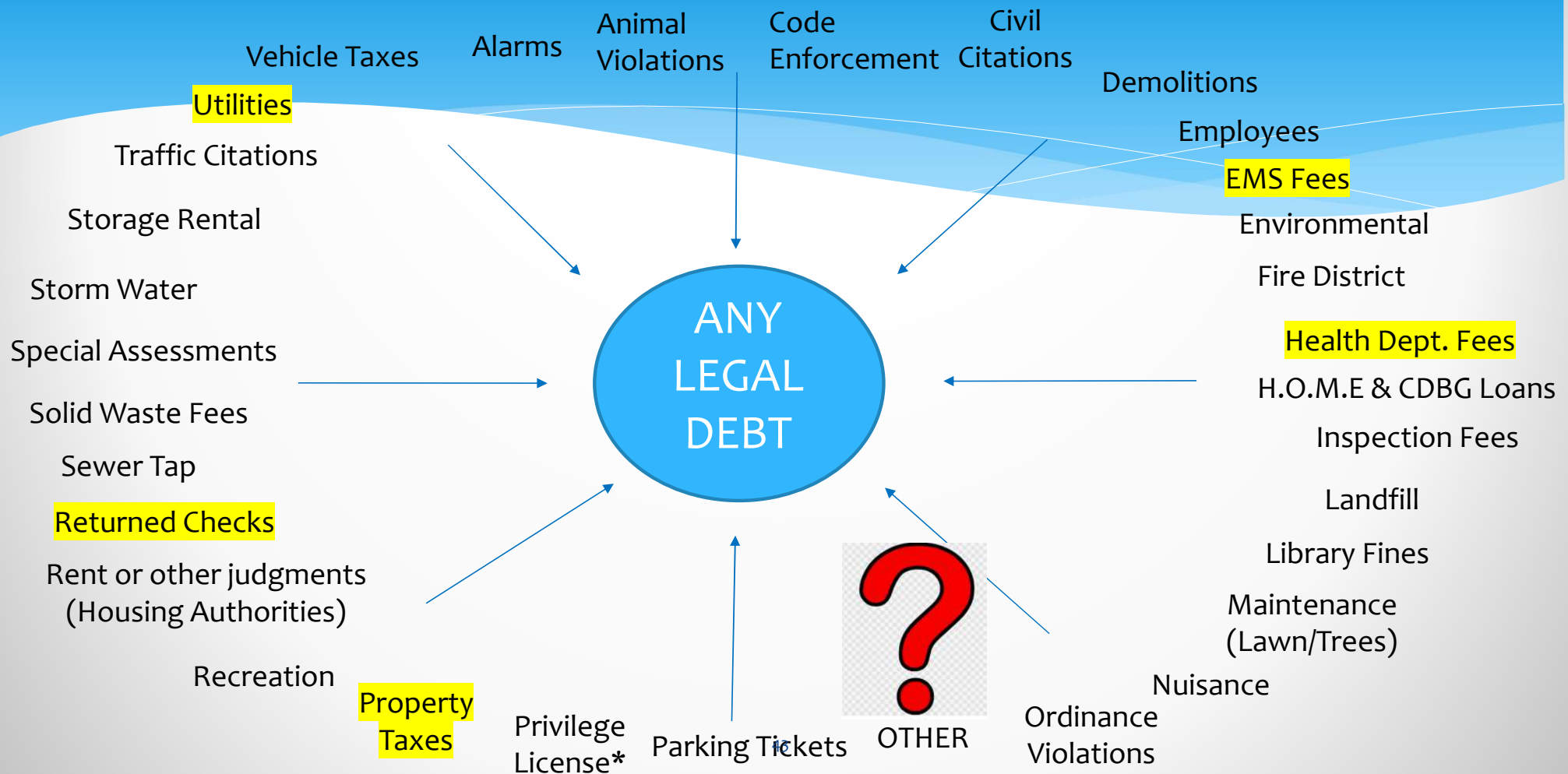
# Debts (1 of 14)

- **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
- 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!

Use SSN, first and last name

# Debts (2 of 14)



## 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

# 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



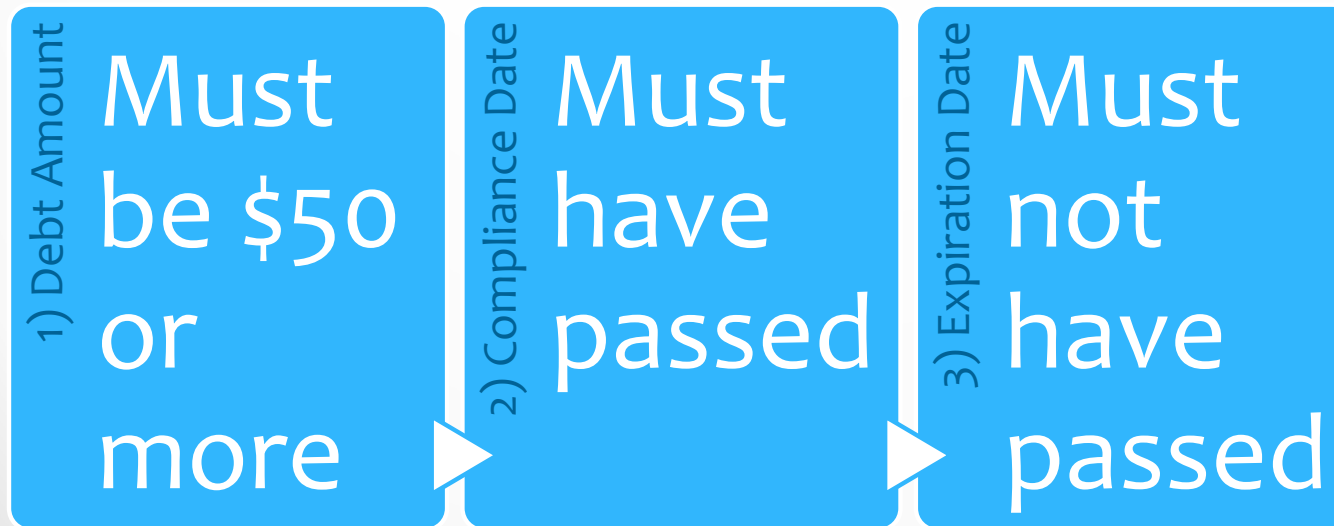
## Debts (5 of 14)

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

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

## Debts (6 of 14)

- Criteria for Sending Weekly to Dept. of Revenue



## 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!



## 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

## 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 YR 2013	01/15/2015	County 1
2	949-12-3456	Jane	Q	Public	101 Main St	Central	NC	28999	100.00	TAX YR 2014	01/15/2015	County 1
3	949-12-3456	Jane	P	Smith	1650 East Elm St	Central	NC	28999	100.00	UTL 2014	02/13/2016	County 2
4	949-12-3456	Jane	P	Smith	1651 East Elm St	Central	NC	28999	100.00	UTL 2015	12/15/2016	City 1
5	949-12-3456	John	A	Adamsson	3109 Screaming Eagle Rd	Richboro	NC	29876	100.00	PKG 101021	01/13/2017	City 2

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

	SSN	First Name	Mid Init	Last Name	Address	City	State	Zip	Debt Amount Total
1	949-12-3456	Jane	Q	Public	101 Main St	Central	NC	28999	500.00

(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	100.00	TAX YR 2013	01/15/2015	County 1
2	949-12-3456	Jane	Q	Public	101 Main St	Central	NC	28999	100.00	TAX YR 2014	01/15/2015	County 1
3	949-12-3456	Jane	P	Smith	1650 East Elm St	Central	NC	28999	100.00	UTL 2014	02/13/2016	County 2
4	949-12-3456	Jane	P	Smith	1651 East Elm St	Central	NC	28999	100.00	UTL 2015	12/15/2016	City 1
5	949-12-3456	John	A	Adamsson	3109 Screaming Eagle Rd	Richboro	NC	29876	100.00	PKG 101021	01/13/2017	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 (w fees)
1	949-12-3456	Jane	Q	Public	101 Main St	Central	NC	28999	575.00

\$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	Debt Amount	Debt Type	Date Loaded	LG	Paid Amt	Fee	Balance	Remains
1	949-12-3456	Jane	Q	Public	101 Main St	Central	NC	28999	100.00	TAX YR 2013	01/15/2015	County 1	100.00	15.00	0	385.00
2	949-12-3456	Jane	Q	Public	101 Main St	Central	NC	28999	100.00	TAX YR 2014	01/15/2015	County 1	100.00	15.00	0	270.00
3	949-12-3456	Jane	P	Smith	1650 East Elm St	Central	NC	28999	100.00	UTL 2014	02/13/2016	County 2	100.00	15.00	0	155.00
4	949-12-3456	Jane	P	Smith	1651 East Elm St	Central	NC	28999	100.00	UTL 2015	12/15/2016	City 1	100.00	15.00	0	40.00
4	949-12-3456	John	A	Adamsson	3109 Screaming Eagle	Richboro	NC	29876	100.00	PKG 101021	01/13/2017	City 2	40.00	0.00	60	0.00

- **Remaining debts**

\$60 + \$15



	SSN	First Name	Mid Init	Last Name	Address	City	State	Zip	Debt Amount (w fees)			
5	949-12-3456	Jane	Q	Public	101 Main St	Central	NC	28999	75.00	PKG 101021	01/13/2017	City 2

## 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

# Statistics (1 of 12)

## Setoffs in 2023 – By Year Debt Submitted

Year Submitted	Setoffs	Setoff Amount
2002	0	\$0
2003	0	\$0
2004	0	\$0
2005	0	\$0
2006	2	\$300
2007	7	\$410
2008	1	\$60
2009	8	\$798
2010	8	\$1,094
2011	471	\$76,408
2012	2,742	\$466,811
2013	2,645	\$476,317
2014	3,383	\$623,559
2015	3,551	\$615,624
2016	5,793	\$1,044,604
2017	4,526	\$761,643
2018	6,601	\$1,225,155
2019	11,163	\$2,087,615
2020	12,615	\$2,189,865
2021	16,287	\$3,144,961
2022	26,428	\$5,383,984
2023	11,537	\$2,335,408
	<b>107,768</b>	<b>\$20,434,616</b>

### Submitted 2021 - 2023:

- 54,252 setoffs (51%)
- \$10,864,353 (53%)

### Totals:

- 107,768 setoffs
- \$20,434,616

### Submitted 2014 - 2020:

- 47,632 setoffs (44%)
- \$8,548,065 (42%)

### Submitted 2002 - 2013:

- 5,884 setoffs (5%)
- \$1,022,198 (5%)

Many from 2023 due to Dept. of Revenue's late start



## Statistics (2 of 12)

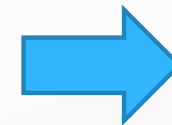
- **All Setoffs (since 2014):**
  - \$0.01 - \$49.99: 153,423
  - \$50 - \$199.99: 1,045,373
  - \$200 - \$999: 426,835
  - \$1,000 - \$4,999: 5,536 setoffs (3,157 paid in full)
  - \$5,000 - \$9,999: 35 setoffs (24 paid in full)
  - \$10,000+: 10 setoffs (6 paid in full)

## Statistics (3 of 12)

- **Setoffs for 2023:**
  - \$0.01 - \$49.99: 10,737
  - \$50 - \$199.99: 62,902
  - \$200 - \$999: 35,913
  - \$1,000 - \$4,999: 497 setoffs (246 paid in full)
  - \$5,000 - \$9,999: 3 setoffs (2 paid in full)
  - \$10,000+: 1 setoff (0 paid in full)

## Statistics (4 of 12)

- **Largest Tax Refund Setoff:**
  - \$34,152 (2017)
  - 2 different types of debt for one municipality
  - Paid in full (no longer active)



Local Govt. (#of debts)	Amount
Original Debts	\$38,831
Setoff 4/18/2017	\$17,695
Setoff 5/2/2017	\$16,786
Fee:	\$30
<b>Total Setoff:</b>	<b>\$34,511</b>
Balance after last setoff:	\$4,351

## Statistics (5 of 12)

- Most Setoffs for a debtor in one setoff:
  - May 2, 2023:
    - EMS debts from 2013 - 2022
      - ✓ Debts/trips (one county): 86
      - ✓ Amount setoff: \$7,107.97
      - ✓ Fees: \$1,290
      - ✓ Balance: \$26.12

Also an additional  
municipality setoff:  
Setoff: \$88.85  
Fee: \$15.00 fee  
Paid in full)

## Statistics (6 of 12)

- **Lottery Setoffs (since 2014):**
  - **\$1,000 - \$4,999:** 745 setoffs (605 paid in full)
  - **\$5,000 - \$9,999:** 8 setoffs (8 paid in full)
  - **\$10,000+:** 2 setoffs (2 paid in full)

## Statistics (7 of 12)

- **Lottery Setoffs for 2023:**
  - \$1,000 - \$4,999: 68 setoffs (54 paid in full)
  - \$5,000 - \$9,999: 0 setoffs
  - \$10,000+: 0 setoffs
  - Largest refund setoff: \$30,544 (balance \$2,244)
  - Largest lottery setoff: \$4,808 (balance \$51)

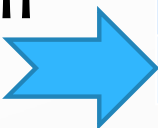
## Statistics (8 of 12)

- **Lottery Setoffs:**
  - Since 2014:
    - ✓ 654 lottery setoffs \$1,000+  
(531 paid in full)

## Statistics (9 of 12)

- **Lottery Setoffs:**

- Largest: \$24,589 (2019)
- Paid six different debts in full
- Following month setoff tax refund for \$272.90
- Paid in full (no longer active)

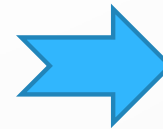


Local Govt. (#of debts)	Amount
County (3)	\$23,542
Municipalities (3)	\$1,047
Fees	\$90
<b>Total:</b>	<b>\$24,679</b>



## Statistics (10 of 12)

- **Interesting (since 2014):**
  - Debtor setoff most times: 64
  - Same county for all debts
  - Fees: \$240



Year (# of setoffs)	Amount
2022 (4)	\$501
2021 (5)	\$819
2020 (14)	\$1,621
2019 (8)	\$1,256
2018 (19)	\$1,718
2017 (6)	\$464
2016 (8)	\$689
<b>Total (64):</b>	<b>\$7,068</b>

## Statistics (11 of 12)

- **Interesting (since 2014):**
  - Debts setoff on Individual Tax Identification Numbers (ITINs): 8,335
  - Amount Setoff (ITINs): \$1,119,438

## Statistics (12 of 12)

- **Interesting (since 2014):**
  - # of debtors with multiple debts setoff or same debts setoff multiple times: 352,829 (of 770,700) 46%
  - # of debtors with only one setoff: 417,871 (of 770,700) 54%

# Setoffs (1 of 10)

- Occur 21 – 22 times per year
- Usually 2<sup>nd</sup> and 4<sup>th</sup> 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

2023 DOR Setoff Calendar:  
<http://www.ncsetoff.org/DORCalendar.htm>

# 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 & NCEL

- **Notes:**

A) The next setoff file is Tuesday, October 11. The previous setoff was September 27.

B) Setoff Calendar and Deposits

----- a) View the entire [2022 Dept. of Revenue Setoff Schedule](#)

----- b) View your 2022 Capital Management deposits: [2022 Deposits for Counties and Agencies](#)

----- c) View your 2022 Capital Management deposits: [2022 Deposits for Municipalities and Housing Authorities](#)

# Setoffs (3 of 10)

## • Setoff Files Availability Email:

### ■ REMINDERS:

- Transmit Balance file
- 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 PRINTING REPORTS WITH FULL SOCIAL SECURITY NUMBERS (SSNs)- OUR SOFTWARE HAS SETTINGS TO MASK SSNs.
2. DO NOT SEND UNSECURED EMAILS WITH SOCIAL SECURITY NUMBERS, EVEN TO THE CLEARINGHOUSE!
3. VIOLATING THIS SECURITY MAY RESULT IN YOUR LOCAL GOVERNMENT BEING SUSPENDED FROM THE DEE SETOFF PROGRAM!

#### PASSWORD REMINDERS:

1. If the TRANSMIT-IMPORT FROM CLEARINGHOUSE-SETOFF option fails, it is probably the TRANSMIT password has expired.
2. None of the TRANSMIT menu options will function if the 7 day password warning message has been sent but the password was not changed.
3. Please change this TRANSMIT password, if have ADMIN user and password, immediately upon receiving the expiration warning message.
4. TRANSMIT password does NOT affect the userid and password for signing on, ONLY the TRANSMIT menu
5. Using the ADMIN userid and password will allow for the changing of the Expired TRANSMIT password.

# 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)



contains full nine digit SSN



deleted once processed

Available Files:	C999.xlsx Setoff.txt surplus.xlsx
------------------	---



# 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

matches Capital Mgt. deposit

J
SETOFF AMOUNT
110.00
65.00
40.00
108.50
320.00
51.50
695.00



# Setoffs (6 of 10)

- C/Mnnnn.xlsx:**

SSN	LAST NAME	FIRST NAME	INIT	ADDRESS	CITY	STATE	ZIP	DEBT AMOUNT	SETOFF AMOUNT	SETOFF DATE	SETOFF FEE	SURPLUS AMOUNT	ACCOUNT NBR	DEPT
***_**-7314	ALDEN	JOHN		1307 Christopher Ln	Cary	NC	27217	0.00	151.54	05/18/2021	0.00	151.54	EMS 8020713	EMA
***_**-2711	ALLERTON	BARINNER	L	9382 Percival Street	Hickory	NC	27401	166.23	127.77	05/18/2021	15.00		EMS 316547	EMA
***_**-8096	ALLERTON	BRITTANY		1055 Bentley Road	Concord	NC	27217	0.00	295.46	05/18/2021	15.00		BCBRC-59946924	TAX
***_**-4046	BRADFORD	HEATHER		876 Elm Street	High Point	NC	27217	539.72	37.28	05/18/2021	15.00		201301301421	TAX
***_**-1343	COOKE	HARRIETT		1624 W Oakland St	Chapel Hill	NC	27253	0.00	278.81	05/18/2021	15.00		201201260167	TAX
***_**-7140	GARDINER	REBECCA		199 Berry Tree Ln	Statesville	NC	28106	93.88	47.00	05/18/2021	0.00		6302469.00 97	UTL
***_**-0371	WILLET	ALICIA		111B Sara Dr	Concord	NC	27253	428.31	92.69	05/18/2021	15.00		86496	HLT

Dept. of Revenue no longer provides name and address

*Above names are from public list from Mayflower*

# Setoffs (7 of 10)

- C/Mnnnn.xlsx:**

SSN	LAST NAME	FIRST NAME	ACCOUNT NUMBER	DEPT	UNIQUE	USER KEY	COMPLIANCE DATE	EXPIRATION DATE	SOURCE	CLEARINGHOUSE USE SUBMITTED: LAST NAME	FIRST NAME	INIT
***-**-3378	Alden	John	E17-232179	EMS	72867	E17-232179	11/05/2017	02/25/2027	Revenue	ALDEEN	JOHN	
***-**-4140	Allerton	Isaac	06-9613	HLT	34826		11/27/2013	01/01/2099	Revenue			
***-**-4140	Allerton	Isaac	E12-815205	EMS	53297	E12-815205	08/15/2013	01/01/2099	Lottery			
***-**-1009	Bradford	Peter	2015-091214	TAX	69275	19002	11/21/2016	01/01/2099	Revenue			
***-**-0600	Cooke	Francis	E16-567187	EMS	73900	E16-567187	11/05/2017	06/12/2026	Revenue	EATON	FRANCIS	
***-**-4068	Gardiner	Richard	D6609550	DMX	70227	D0000001	07/18/2017	01/01/2099	Revenue	BRACKEN	STEPHANIE	M

Possibly  
wrong  
person  
setoff

Above names are from public list from Mayflower

# 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

# Setoffs (9 of 10)

- surplus.xlsx:**

All fees put in ONE surplus



SSN	LAST NAME	FIRST NAME	INIT	SURPLUS AMOUNT	FEE	UNIQUE KEY	ADDRESS	CITY	STATE	ZIP	Dept
***_**-3210	ANDERSEN	ALBERT	K	283.00	30.00	26599	3892 Hollow Drive	KNIGHTDALE	NC	27545	ANC
***_**-8133	CLARKE	ADA	E	130.00	0.00	64194	6459 Bunting Crest Dr	RALEIGH	NC	27604	PKG
***_**-6223	WAELENS	ACHILLE		81.22	15.00	34017	1340 Barrineau Road	CHARLOTTE	NC	27615	UTL

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.

*Above names are from public list from Mayflower*

# Setoffs (10 of 10)

- **Setoff Information timeline:**
  - File information provided by Dept. of Revenue and Education Lottery (Tuesday) – usually 2<sup>nd</sup> and 4<sup>th</sup> 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)

# Adjustment Email (1 of 9)

- **Notes and Major Topics:**

**\*\* September 24, 2023 - IMPORTANT INFORMATION \*\***

There are several links in this email. Your I.T. may be blocking links so go to our website to access.

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**1) The 2024 Participation Form is ready. This is the only annual requirement required for participation and due by Friday, December 15 at 5:00 p.m.**

Click [here](#) to submit your annual requirement.

If you do not complete by late December, we are required to will remove ALL of your local government debts by December 31. And your priority on existing debts is lost.

# Adjustment Email (2 of 9)

## 2) All 2023 Debt Setoff Workshops have been scheduled and are ready for online registration.

All six are 9:30 a.m. to 12:00 p.m

1. Waynesville - Tuesday, October 10, 2023
2. Newton - Wednesday, October 11, 2023
3. Asheboro - Thursday, October 12, 2023
4. Wilmington - Tuesday, October 24, 2023
5. Washington - Wednesday, October 25, 2023
6. Raleigh - Thursday, October 26, 2023

Click [here](#) to register (required) for the above attendee workshop sessions.

- o Up to five attendees can be submitted per registration form
- o Please register at least 48 hours prior to the workshop
- o Once registered, to make changes or cancel, just send an email to [customerservice@ncsetoff.org](mailto:customerservice@ncsetoff.org), no need to complete a new registration form

# Adjustment Email (3 of 9)

## Setoff Calendar and Deposits

- a) View the entire [2023 Dept. of Revenue Setoff Schedule](#)
- b) View your 2023 Capital Management deposits: [2023 Deposits for Counties and Agencies](#)
- c) View your 2023 Capital Management deposits: [2023 Deposits for Municipalities and Housing Authorities](#)

### Be sure your information is accurate for debtors:

- we have updated our Interactive Voice Response unit (IVR) with the contact information you provided in the 2023 Participation form
- we suggest you call (877) 843-0330 and enter a social security number of an existing debtor, listen to the contact and phone number for accuracy
- if we set your local government to have different contacts for each department, call and enter a social security from each department and listen to the contact and phone number for accuracy
- email us any discrepancy and the correction and we quickly make the change



# Adjustment Email (4 of 9)

J) Please let your I.T. know to contact the Clearinghouse to schedule debt setoff database moves as the Clearinghouse must assist as their are certification keys needed to make debt setoff operational.

E) It is important for all local governments to send weekly balance updates. Every Friday afternoon is the recommendation.

---- For those using our software, which is the majority, do the following: TRANSMIT-EXPORT TO CLEARINGHOUSE-DEBTOR INFORMATION. Then click EXPORT.

---- We will process over the weekend and send an Import Status email reflecting the results. This email report identifies any expired or rejected debts along with debts that have a future Compliance Date.

---- We send a file to the NC Dept. of Revenue every Tuesday by 10:00 a.m. and they forward to the NC Education Lottery every other Thursday.

---- Due to privacy reasons, we no longer receive debtor name or address updates from the NC Dept of Revenue to assist in sending refunds and surpluses.

F) There are three criteria for debts to be sent each Tuesday to the NC Department of Revenue.

---- the debt must be \$50.00 or more

---- the Compliance Date must have passed

---- the Expiration Date must not have passed

# Adjustment Email (5 of 9)

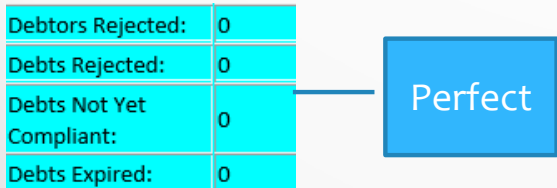
## G) Tips/Reminders:

- the Clearinghouse does not have copies of your required due process letters. We may create them using our software but they are stored on your computer.
- be sure to copy to a more long term media periodically, in the event proof is needed in the future.
- we can only setoff against Social Security Numbers or Individual Tax Identification Numbers (ITIN). We cannot setoff against business tax numbers or drivers license numbers.
- even though the statutes allow for the setoff against businesses, the NC Department of Revenue is not yet capable.
- the NC Department of Revenue does setoffs based on two criteria: 1) the nine digit SSN or ITIN must match and 2) the first four characters of last name matching. If both criteria are met, the tax refund is setoff.
- However, sometimes the NC Department of Revenue does setoff an incorrect debtor and the local government is still responsible for the refund and the fees.

## Clearinghouse Schedule and Hours of Operation:

- Monday - Thursday - 8:30 a.m. - 5:00 p.m.
- Friday: 8:30 a.m. - 3:00 p.m - last file import with or without due process letters is 2:00 p.m.
- client software installations: Monday - Thursday - 8:30 a.m. - 4:00 p.m.
- database transfers Monday - Wednesday - 8:30 a.m. - 3:00 p.m

# Adjustment Email (6 of 9)



## Needs Review

Informational – May Need Review

Informational – May Need Review

Informational – May Need Review

# Adjustment Email (7 of 9)

## Weekend Process

Previous Debt Amount

Current Debt Amount

Net Amount

Increases/Decreases result from imports and/or manual adjustments at local government. Setoffs offset if local govt. processed the setoff file. Large increases usually from Five Star or internal staff processed a departmental Excel/ASCII file.

Previous Debt Amount:	\$30,996,428.46
Current Debt Amount:	\$34,116,461.71
Net Amount:	\$3,120,033.25

### 3 Files Received

/Home/Burke County
File Name
C012XMIT.txt
TAX_ImportStatus.rpt
TAX_Summary.rpt

Previous Debt Amount:	\$406,968.97
Current Debt Amount:	\$406,968.97
Net Amount:	\$0.00

Previous Debt Amount:	\$1,844,780.65
Current Debt Amount:	\$1,760,073.53
Net Amount:	\$84,707.12

### 3 Files Received

/Home/Johnston County
File Name
C051XMIT.txt
EMS_ImportStatus.rpt
EMS_Summary.rpt

If no adds/adj at local govt.

# Adjustment Email (8 of 9)

- Errors:

Reports	Import/Export	Transmit
Import Status Error Report		

	Dept	ERROR
6596	ANI	Debt Imported with future Compliance Date: 10/30/2022 Debt Amount: 100.00 Acct #: V18-014385
1641	ANI	Debt Imported with future Compliance Date: 10/30/2022 Debt Amount: 50.00 Acct #: V18-014359

	Dept	ERROR
9153	EMS	Debt rejected: Expired: 7/3/2013 Debt Amount: 228.03 Acct #: E03-54348
9153	EMS	Compliance Date must be prior to Expiration Date Debt Amount: 228.03 Acct #:
0715	EMS	Debt rejected: Expired: 12/31/2013 Debt Amount: 358.50 Acct #: E03-141646
0715	EMS	Compliance Date must be prior to Expiration Date Debt Amount: 358.50 Acct #:
5705	EMS	Debt rejected: Expired: 11/16/2013 Debt Amount: 403.00 Acct #: E03-120327
5705	EMS	Compliance Date must be prior to Expiration Date Debt Amount: 403.00 Acct #:

Not an Error – but if many years in future, it would be

Possibly reversed Compliance and Expiration Dates in Import

# Adjustment Email (9 of 9)

- Errors:**

Reports	Import/Export	Transmit
Import Status Error Report		

000-00-0708	HLT	ATTENTION: Debt rejected: Invalid SSN, begins with 0000	Acct #: 948927458
000-00-1343	HLT	ATTENTION: Debt rejected: Invalid SSN, begins with 0000	945227629
000-00-1478	HLT	ATTENTION: Debt rejected: Invalid SSN, begins with 0000	L Acct #: 952405507
000-00-1524	HLT	ATTENTION: Debt rejected: Invalid SSN, begins with 0000	t #: 946866067
000-00-1914	HLT	ATTENTION: Debt rejected: Invalid SSN, begins with 0000	Acct #: 947928952
999-99-0439	UTL	ATTENTION: Debt rejected: Invalid SSN, begins with 9999	Acct #: 1924763753
999-99-1063	UTL	ATTENTION: Debt rejected: Invalid SSN, begins with 9999	PEGGY Acct #: 8466748557
999-99-1205	UTL	ATTENTION: Debt rejected: Invalid SSN, begins with 9999	Acct #: 2851600237
-0538	PKG	Debt rejected: Expired: 3/1/2022 Debt Amount: 50.00	Acct #: 104521841
-1961	PKG	Debt rejected: Expired: 3/1/2022 Debt Amount: 50.00	Acct #: 104699055
-0583	PKG	Debt rejected: Expired: 3/1/2022 Debt Amount: 100.00	Acct #: 101800000

Cannot  
begin  
with  
000- or  
999-

Not an Error – but consider  
extending or deleting

# 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 12/31/2023
  - 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– Tuesday, Nov.28, 2023 (1 day prior to virtual software training)

## Year-end/Expired Debts (2 of 4)

- Sample Excel file of already expired debts or those that will expire by 12/31/2023 (file available for 10 days)

SSN	LAST NAME	FIRST NAME	ACCOUNT NUMBER	DEBT AMOUNT	EXPIRATION DATE	COMPLIANCE DATE	UNIQUE KEY	ADDRESS	CITY	STATE	ZIP	DEPT
***-**-6265	Willer	Anthony	40401/A/C	\$111.70	12/31/2023	04/09/2010	1212093	2468 Michelle DR	Lumberton	NC	27557	ANC
***-**-5813	Abrahamsson	Eugene	HD-947898445	\$185.55	12/31/2023	04/09/2010	1215222	114 N Ninth St	Mint Hill	NC	27830	HLT
***-**-1400	Hyman	Rhoda	17707/69818	\$191.43	12/31/2023	09/02/2010	1210085	2825 Otter Creek Trail	Asheboro	NC	27568	DSS
***-**-1932	Salomon	Rossmore	T2016-201119-32	\$87.13	12/15/2022	02/15/2018	1216083	718 Orchard Dr.	Kinston	NC	27597	TAX
***-**-3746	Waelens	Karen	T2017-981003-01	\$157.72	12/31/2023	02/15/2019	1215432	1624 W Oakland St	Thomasville	NC	28366	TAX
***-**-4471	Ball	Olaus	T2013-143919-02	\$21.91	12/31/2020	02/15/2017	1209545	199 Berry Tree Ln	Rocky Mount	NC	27604	TAX

SSN  
last  
four



By  
Dept

Above names are from public list from Mayflower



# 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)

Reports Import/Export

- Adjustments
- Aged Debt Report
- Audit Report
- Compliance Report
- Composite Report
- Expiration Report

Expiration Start Date: 01/01/2000

Expiration End Date: 12/31/2023

Account Codes: ALL - Include all Debt Types



Some expired debts may be \$0 (setoff or paid)

Expiration Report  
Date: 09/22/2021  
Date Range: 01/01/2000 Thru 12/31/2021

SSN	NAME	DEBT AMOUNT	CODE	ACCOUNT NUMBER	EXPIRATION DATE
999-00-6455	ABBING RHONDA M	0.00	TAX	TX-101	12/31/2015
999-00-6455	ABBING RHONDA M	0.00	EMS	E09-9161213	12/31/2015
999-00-6455	ABBING RHONDA M	40.00	UTL	U-JT-10	09/18/2019
995-97-1449	ABBINGTON JAMES	0.00	UTL	U-00528	12/31/2015
995-97-1449	ABBINGTON JAMES	0.00	UTL	U-00528	12/31/2015
995-97-1449	ABBINGTON JAMES	25.00	UTL	U-00528	12/31/2015
999-00-2780	ABBOTT ROSSMORE E	0.00	TAX	T2014-11073	12/31/2015
999-70-8654	ABBY JOHN	0.00	UTL	U-00223	12/31/2015
999-00-4887	Abelson Samuel	0.00	TAX	T2014-12-98123	12/31/2015
999-00-4887	Abelson Samuel	0.00	TAX	T2014-13-99432	12/31/2015
999-00-4887	Abelson Samuel	0.00	TAX	T2014-09-95692	12/31/2015
999-00-4887	Abelson Samuel	0.00	TAX	T2014-10-75648	12/31/2015
993-74-7085	ABERNE JACOB L	0.00	TAX	T2014-12-TX-12	12/31/2015
993-74-7085	ABERNE JACOB L	100.00	UTL	U-00785	12/31/2015
993-74-7085	ABERNE JACOB L	0.00	UTL	U-00785	12/31/2015
993-74-7085	ABERNE JACOB L	0.00	UTL	U-00785	12/31/2015

Select many years prior – to be sure. Recommend 1/1/2000 and go to end of this year 12/31/2023

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)

Reports Import/Export

- Adjustments
- Aged Debt Report
- Audit Report
- Compliance Report
- Composite Report
- Expiration Report

Expiration Start Date: 01/01/2000

Expiration End Date: 04/30/2024

Account Codes: TAX Taxes



North Carolina Debt Setoff Program  
C999: Sample Local Government  
Expiration Report  
Date: 09/22/2021  
Date Range: 01/01/2000 Thru 12/31/2021

SSN	NAME	DEBT AMOUNT	CODE	ACCOUNT NUMBER	EXPIRATION DATE
999-00-6455	ABBING RHONDA M	0.00	TAX	TX-101	12/31/2015
999-00-6455	ABBING RHONDA M	0.00	EMS	E09-9161213	12/31/2015
999-00-6455	ABBING RHONDA M	40.00	UTL	U-UT-10	09/18/2019
995-97-1449	ABBINGTON JAMES	0.00	UTL	U-00528	12/31/2015
995-97-1449	ABBINGTON JAMES	0.00	UTL	U-00528	12/31/2015
995-97-1449	ABBINGTON JAMES	25.00	UTL	U-00528	12/31/2015
999-00-2780	ABBOTT ROSSMORE E	0.00	TAX	T2014-11073	12/31/2015
999-70-8654	ABBY JOHN	0.00	UTL	U-00223	12/31/2015
999-00-4887	Abelson Samuel	0.00	TAX	T2014-12-98123	12/31/2015
999-00-4887	Abelson Samuel	0.00	TAX	T2014-13-99432	12/31/2015
999-00-4887	Abelson Samuel	0.00	TAX	T2014-09-95692	12/31/2015
999-00-4887	Abelson Samuel	0.00	TAX	T2014-10-75648	12/31/2015
993-74-7085	ABERNE JACOB L	0.00	TAX	T2014-12-TX-12	12/31/2015
993-74-7085	ABERNE JACOB L	100.00	UTL	U-00785	12/31/2015
993-74-7085	ABERNE JACOB L	0.00	UTL	U-00785	12/31/2015
993-74-7085	ABERNE JACOB L	0.00	UTL	U-00785	12/31/2015

Select many years prior – to be sure. Recommend 1/1/2000 and go to end of major tax season 04/30/2024. Even consider choosing end of next year: 12/31/2024

*Above names are from public list from Mayflower*

# Year-end Clean-up (1 of 1)

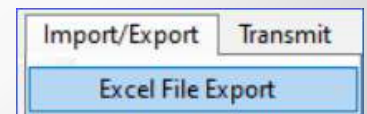
- Consider removing debts no longer attempting to collect on:

- 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

Create Excel export file PRIOR to any clean-up/deletion. Consider unmasking SSNs/ITINs.

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



# 2024 Participation Form (1 of 10)

## 2024 Annual Participation Form

[www.ncsetoff.org/2024ParticipationForm.htm](http://www.ncsetoff.org/2024ParticipationForm.htm)

- **2024 PARTICIPATION FORM ALSO REQUIRES COMPLETION OF AN ELECTRONIC SIGNATURE FORM - AN EMAIL WILL BE SENT WITHIN DAYS OF COMPLETION OF THE FORM BELOW**
- **ALLOWS FOR DEBT SUBMISSION FROM DATE OF ELECTRONIC SIGNATURE COMPLETION THROUGH DECEMBER 31, 2024**
- **ONLY ONE FORM NEEDED FOR A LOCAL GOVERNMENT ENTITY - COVERS ALL DEPARTMENTS**
- **THE COORDINATOR AND CONTACT CAN BE THE SAME PERSON**
- **CLICK [HERE](#) TO ENTER UP TO 10 NAMES AND EMAIL ADDRESSES - IF ANY CHANGES**
- **CLICK [HERE](#) TO VIEW THE 2024 PARTICIPATION FORM INSTRUCTION GUIDE**

1) Date

2) Local Government Name

3) Type of Participant

- ☐ City/Town/Village
- ☐ County
- ☐ Water & Sewer (162A Art. 1)\*
- ☐ Joint Regional Agency (160A Art. 20)
- ☐ Public Health Authority (130A - Art. 2, Part 1B)
- ☐ Metropolitan Sewerage District (162A Art. 5)
- ☐ Sanitary District (130A Art. 2, Part 2)
- ☐ Housing Authority (157)
- ☐ Reg. Solid Waste Auth. (153A Art. 22)

\* if a municipality providing Utilities - select City/Town/Village, not Water & Sewer (162A Art. 1)

4) Coordinator Name

Main contact for the Clearinghouse

5) Coordinator Phone Number

6) Coordinator Email address

7) Coordinator Email address (re-enter for verification)

8) Coordinator Mailing Address

9) Contact Name

Contact for debtors. May be the same person as Coordinator

10) Contact Phone Number

11) Contact Email Address

12) Contact email address (re-enter for verification)

13) **Hearing Officer and Title/Position**

Can have one Hearing Officer or separate ones for each department. Each department needs to know who the Hearing Officer is, in the event of an official hearing/appeal request.

# 2024 Participation Form (2 of 12)

**14) Name and/or Department for Debtors to be referred to when calling the Interactive Voice Response (IVR)**

**15) Telephone Number for Debtors to be referred to when calling the Interactive Voice Response (IVR)**

**16) Would you like different contacts and phone numbers for different departments/types of debt?**

- ☐ No - just 1 needed
- ☐ Yes- please contact Coordinator to discuss
- ☐ Already Set-up-No changes needed at this time
- ☐ Already Set-up-Have changes, please contact Coordinator

Can have separate contact (names or departments/groups for each debt type. Will assist callers and each frustration if can't reach someone can answer questions about their debt.

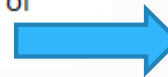
EMS	Customer Services	919-555-1012
Tax	Tax Office	919-555-1014
HLT	Patient Billing	999-555-1061 ext. 345
UTL	Susan	919-555-1876

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

# 2024 Participation Form (3 of 10)

## 17) Current Method for Transmitting Debts (if already participating) or Choice (if not yet participating)

- ☐ Client Software: Encrypted Data and Encrypted File Transfer (No Cost)
- ☐ Secure Web Access: Encrypted File Transfers: ASCII ONLY (No Cost)
- ☐ Hardcopy Forms by Secure Fax (No cost for 50 debtors or less)



Can start with data entry for 50 or less but MUST move to client software after exceeding.

# 2024 Participation Form (4 of 10)

## 18) Type of Debt(s) currently being submitted (for information only)

- ☐ Taxes - Property
- ☐ Taxes - Vehicle
- ☐ Utilities
- ☐ EMS
- ☐ Health
- ☐ Alarms
- ☐ Animal violations
- ☐ Assessments
- ☐ Civil citations
- ☐ Code enforcement

- ☐ Demolitions
- ☐ Employees
- ☐ Environmental
- ☐ Fines (library/other)
- ☐ Housing
- ☐ Inspections
- ☐ Landfill
- ☐ Loans
- ☐ Maintenance (lawn,trees)
- ☐ Nuisance

Check what currently being submitted or anticipated soon, no need to resubmit if add or delete before next year's participation form.

- ☐ Ordinance violations
- ☐ Parking tickets
- ☐ Privilege license (debts prior to 6/30/2015)
- ☐ Recreation
- ☐ Returned checks
- ☐ Sewer tap
- ☐ Solid Waste
- ☐ Storage rental
- ☐ Storm water
- ☐ Traffic citations
- ☐ None (a new participant)

# 2024 Participation Form (5 of 10)

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

This is step #1 of 2. The 2<sup>nd</sup> step is the electronic signature. A local government is not fully compliant to participate in 2024 until both steps are complete. However, 1<sup>st</sup> step guarantees debts will not be deleted at beginning of new year.

## Instructions for Completion and Submission:

- a) Complete items 1 - 22 above
- b) Click "Print this Form" (OPTIONAL)
- c) Click "Submit Form" (REQUIRED) which will submit and clear all entries. Clicking SUBMIT prior to PRINT requires a re-start.
- d) An official 2024 Participation Form will be electronically mailed to the email in #22. The form must be electronically signed by a local government official. A signed original NO LONGER needs to be mailed.

Submit Form



# 2024 Participation Form (6 of 10)

## 2024 Annual Participation Authorization Form

I. Local Government Agency:

\_\_\_\_\_ ("Local Agency")

II. Local Agency Authorized Official:

\_\_\_\_\_ ("Authorized Official")

III. Authorized Official's Title:

\_\_\_\_\_

**The above named Authorized Official attests that the Local Agency named above will follow the written notice and hearing requirements pursuant to GS Chapter 105A and the Memorandum of Understanding prior to submitting any debts to the N.C. Local Government Debt Setoff Clearinghouse.**

**By electronically signing below, the Authorized Official is attesting that he/she understands the requirements of both the General Statutes and the Memorandum of Understanding.** The Memorandum of Understanding has already been signed and submitted for participating members. The General Statutes are referenced on the Information webpage and the Memorandum of Understanding on the Information/Forms webpage. Included among the requirements in the General Statutes and the Memorandum of Understanding are the following matters to which we call your particular attention:

In 2018 a change went into affect 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.

# 2024 Participation Form (7 of 10)

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 hardcopies 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 2<sup>nd</sup> step is the electronic signature. A local government is not fully compliant to participate until both steps are complete. However, 1<sup>st</sup> step guarantees debts will not be deleted at new year.

# 2024 Participation Form (8 of 102)

2. Refund Requests from the Department of Revenue (through the NCACC/NCLM) are not optional or for consideration and must be processed expediently 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
4. 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.

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

# 2024 Participation Form (9 of 12)

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. strongly recommended deleting import 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 number, 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 2<sup>nd</sup> step is the electronic signature. A local government is not fully compliant to participate until both steps are complete. However, 1<sup>st</sup> step guarantees debts will not be deleted at new year.

# 2024 Participation Form (10 of 10)

- Check the status of your 2024 Participation form

[www.ncsetoff.org/participants.htm](http://www.ncsetoff.org/participants.htm)

## 2024 YEAR PARTICIPATION STATUS

# of Local Governments 2024 Participation forms - 82/468

all forms complete for 2023 if no previous year listed to the right of Local Government name  
\* signifies 2024 participation form step 1 completed, but step 2 signature not completed

--> COUNTIES - (30/98) <--

ALAMANCE	CURRITUCK	JONES	RICHMOND
ALEXANDER	DARE	LEE	ROBESON (2024)
ALLEGHANY (2024)	DAVIDSON (2024)	LENOIR	ROCKINGHAM
ANSON (2024)	DAVIE (2024)	LINCOLN (2024)	ROWAN
ASHE	DUPLIN	MACON	RUTHERFORD
BEAUFORT (2024)	DURHAM	MADISON (2024)	SAMPSON (2024)*

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

(2024) – 2 of 2 steps complete

ABERDEEN	GREENVILLE	PARKTON (2024)*
AHOSKIE	GRIFTON	PARMELE
ALAMANCE (2024)	GRIMESLAND	PEACHLAND
ALBEMARLE	HAMILTON	PEMBROKE (2024)
ANDREWS	HAMLET	PIKEVILLE

(2024)\* only 1 of 2 steps complete

No year – 0 of 2 steps complete

# Avoiding Disaster/Refunds (1 of 3)

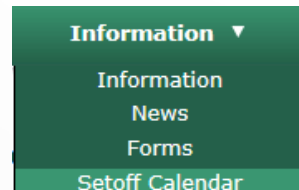
- Check Weekly Import Status Reports
  - Contact us if a substantial increase or decrease
- Process your setoff files – check setoff calendar
- Transmit Updated Balances to Clearinghouse after Setoffs OR changes to balances
  - Export to Clearinghouse-Debtor Information
- Check/reconcile Capital Mgt.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

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

2021 version of the software automatically transmits after importing setoff.

# Avoiding Disaster/Refunds (2 of 3)

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



October	November	December
11	8	6
25	22	

- Each 2022 deposit on the Statistics page:

## 2022

- All Alphabetical
- All by Amount Setoff
- Counties & County Agencies Alphabetical
- Counties By Amount Setoff
- County Agencies By Amount Setoff
- **County Deposits Detail By Date**
- Municipalities Alphabetical
- Municipalities By Amount Setoff
- **Municipalities Deposits Detail By Date**
- All-time By Amount Setoff
- Statistics Summary

## NC Local Government Setoff Debt Clearinghouse - Deposit Detail 2021

#	County	09-Feb	23-Feb	09-Mar	23-Mar	06-Apr	20-Apr
1	Alamance County	\$4,517.23	\$625.08	\$36,567.24	\$18,685.65	\$6,286.57	\$12,963.74
2	Alexander County	\$1,285.03	\$0.00	\$15,223.74	\$8,577.24	\$3,016.03	\$2,895.50
3	Alleghany County	\$0.00	\$0.00	\$1,207.00	\$1,227.62	\$0.00	\$646.40
4	Anson County	\$1,364.46	\$287.42	\$12,399.28	\$6,669.72	\$2,742.62	\$3,311.47

Use to reconcile with Capital Mgt. statements –  
contact us if any 2021/2022 setoffs need to be restored

A Setoff Report should exist for each  
deposit date (client software users).



# 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



# 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
  - We can connect to your computer and view/assist
- Do not send an email with full SSN/ITINs
  - Call us for inquiries
- Delete ASCII and Excel files once imported into our client software

## **\*\*Avoiding Refunds Scenario** (1 of 2)



- Debtor comes in to pay balance on a Monday



- Local government TRANSMITs balances to Clearinghouse next day (Tuesday)




- Clearinghouse processes local government balance file on Friday



- Clearinghouse creates weekly file for Dept. of Revenue on following Monday

## **\*\*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)



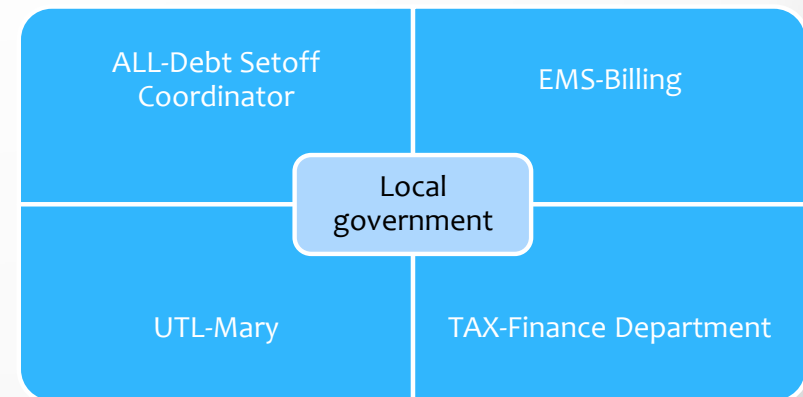
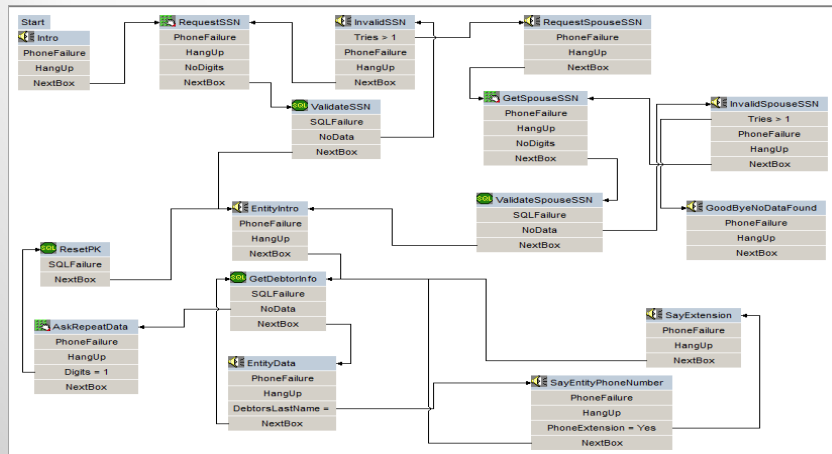
Day 15

- Debtor who paid balance the previous Monday can now claim a \$600+ lottery ticket

# 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)

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



# Department of Revenue

## Refund Requests (1 of 4)

- **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.

# Department of Revenue

## Refund Requests (2 of 4)

- **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

# Department of Revenue

## Refund Requests (3 of 4)

- **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 (4 of 4)

## NCACC/NCLM

- **NCLM and NCACC**

- 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

\* Dept. of Revenue is in the process of requesting over 175 from local governments.

Year	Dept. Revenue Refund Requests (as of Sept. 10, 2023)	Number of Setoffs
2023	16*	103,404
2022	14	96,219
2021	23	95,927
2020	43	115,566
2019	79	106,837
2018	61	115,545



# 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

SSN	LAST NAME	FIRST NAME	INIT	SURPLUS AMOUNT	FEE	UNIQUE KEY	ADDRESS	CITY	STATE	ZIP	Dept
***_**-2725	ASTOR	JOHN	J	343.00	15.00	11276	101 WASHINGTON ST	CENTRAL	NC	29560-3628	UTL
***_**-0140	AUBART	MADELEINE		124.40	15.00	9330	34500 BELMONT BLVD	RICHFIELD	NC	29562-4800	TAX
***_**-7597	BIRKHARDT	HENRY	V	52.52	15.00	11467	3402 WEDGEWOOD DR	HAMPTONVILLE	NC	29562-7724	UTL

- 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

# Email (1 of 8)

- **Two different email systems/methods:**

1. Secure folder

- File Upload confirmation
- Password expiring/password suspended

2. Setoffs processed/import status, newsletters, information/forms

We are often marked as SPAM.

Please ask I.T. to whitelist:

@ncsetoff.org  
@fivestarcomputing.com

## Email (2 of 8)

- **Email List #1: Secure Folder:**
  - File Upload Confirmation

1 File Received

📁 /Home/Sample Local Government

File Name	Date and Time	Size	Tracking ID
📄 C999XMIT.txt	9/30/2021 4:00:33 PM	2,689,370	803977554

## Email (3 of 8)

Can change if  
sign on as  
admin within  
7 days

- **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 "ncm355" account will not enjoy full 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 "ncm355" 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) 561-0056 / [ncsetoff@ncsetoff.org](mailto:ncsetoff@ncsetoff.org).

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

## 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 "ncm200" account has been suspended because you have not changed your password in the last 97 days.

If you need to reactivate your account, you will need to contact Five Star Computing, Inc. at (803) 561-0056 / [ncsetoff@ncsetoff.org](mailto:ncsetoff@ncsetoff.org).

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

Word "lottery" in body may cause rejection

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

## 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.



## Email (7 of 8)

- **Email List #2:**
  - 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 only 5 emails per minute to reduce possibility of being identified as Spam.

## Email (8 of 8)

- **To update any or all three of these email lists:**
  - send email to [ncsetoff@ncsetoff.org](mailto: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 :**
    - fivestarcomputing.com
    - ncsetoff.org

# 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 (2016 – 2023)
  - Client Software Support includes these and more:
    - Change TRANSMIT password
    - Import ASCII/Excel files from internal and/or vendors
    - Generate notification letters and pdfs – STORED ONLY AT YOUR LOCATION!
    - 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)

NC Staff

Bill

Billie

Fran

Grace

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

# Contact Information

Name	Contact Info
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<b>Bill Walsh</b> President, Five Star Computing Operations Manager, NC Local Government Debt Setoff Clearinghouse	<a href="mailto:ncsetoff@ncsetoff.org">ncsetoff@ncsetoff.org</a> <a href="http://www.ncsetoff.org">www.ncsetoff.org</a> (866) 265-1668
<b>Other Resources:</b> N.C. Department of Revenue	(919) 814-1120
NC Education Lottery	(919) 301-3531 or 301-3331
Capital Management	(800) 222-3232