

Just a Few More Things: Final Year-End/New Year Edition

Volume 3: Issue 6

December 19, 2013

Reminders

- Submit your online 2014 Participation Form NOW if not yet done!
- New Municipalities and Housing Authorities—A Capital Management Trust account is required for participation, and only one account per local government! Get your account if you haven't yet and provide the account number to the Clearinghouse.

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A Few More Important Reminders Before the Year Ends

We just sent the last newsletter on December 3. But so much is still left to be done to prepare for the 2014 tax year that we felt the need for just one more in 2013. Most local governments have completed their 2014 Participation form. If you only clicked Submit and did not print and mail a signed original it is getting late. Regretfully, we will delete all debts for local governments that do fail to mail a signed original to the NCACC or NCLM. The Participation form is the only annual requirement so hopefully you understand we need an annual update for our records.

The Clearinghouse will do the following before sending the first file of 2014 to the Department of Revenue and Education Lottery:

- Delete all debts less than \$50
- Delete all Expired debts
- Delete all Rejected Names/

SSNs from the Dept. of Revenue

What are the benefits of the above? Less calls to local governments from debtors, since deleted debts will not provide information to debtors calling our Interactive Voice Response (IVR) system. Our IVR references all debts for an SSN, regardless of the amount, even \$0.00. But the only time we delete \$0.00 debts is at the beginning of a new tax year.

What local governments should do before December 31, 2013:

- If using our software, run the Selective Report to determine debts that are \$0 and also debts less than \$50
- Determine which of the above can be deleted, but be aware it will remove them for ALL department codes
- Review your Expired Debts

and determine if they should be modified or deleted

We recommend you having a database of debtors and debts to start the new year that are ones that you have the potential to collect on. They must meet this criteria:

- Each debt be over \$50 (we DO NOT combine debts)
- Compliance Date (start date) must have passed
- Expiration Date (end date) must not have passed
- Must have a Last Name and First Name (not a business name)
- Name must not have "C/O" or "Estate of"
- SSNs or ITINs only—no drivers license or employee numbers

We can assist in your Year-end Clean-up decisions if needed.

Last Notice—Due By December 27, 2013

- Complete your required annual participation form: www.ncsetoff.org/2014ParticipationForm.htm. Only one form is needed for the entire local government.
- Check the status of your signed original form at

www.ncsetoff.org/Participants.htm.

If you DO NOT use our client software, complete your Names, Department and Email list form:

www.ncsetoff.org/NamesDept&Email.htm to list up to 10 people to receive four different

types of emails. We will remove any current email addresses not listed on the form. Be sure any I.T. staff and vendors are included.

Note: our software lets you manage emails.



This is the password to your secure folder, not to access our client software.

We have several past newsletter articles on the Statute of Limitations. Don't just assume your Expired Debts can't be modified.



Debtors with Rejected SSNs and Names will be deleted by the Clearinghouse. But correct and resubmit if able.

Passwords—The First Time Has Been a Huge Challenge!

All local governments are now required to change their passwords. If using our client software, this password is stored inside the software and is only used for the Transmit functions: Import from the Clearinghouse or Export to the Clearinghouse.

This password is not the password to login to the software. Although, at some point in 2014 we may begin requiring the login passwords to be changed often. More on that later. First we want to be sure

the secure folder passwords are changed.

Once your password is within 14 days of expiring you should have also gotten a pdf instruction guide on how to change. Maybe a seven page instruction guide was a bit overwhelming for many to digest to simply change a password. It is simpler for those that don't use our software as they don't have to change it inside the Tools-Administrator-Account Info.

If you do not use our software and change the password, re-

member, any other user that accesses the secure folder will need the new password.

We will soon be creating a simpler pdf instruction guide for both users and non-users of our software on the basics of changing passwords, without the other two functions explained in the seven page version. Please attempt to learn the process as it will next occur during the heavy setoff period and you would not be able to access your setoff information or send us files,

A Bit Disappointing—Lack of Interest in Expired Debts

On December 6, 2013 we made available an excel file of all debts that will expire before January 1, 2014. More than 190 local governments had expired debts but only 75 made the effort to download them. So we just did a 2nd (and final) process on Dec. 18 and sent notifications. Please disregard if you downloaded and reviewed.

If you will download the file and there are debts for other departments, please be sure

the debt setoff users in those department(s) are aware so they have an opportunity to review and possibly modify.

These files will remain in the secure folders for only 10 days.

Remember, a debt that has expired will not have an opportunity for debt collection unless the date is changed. Many local governments are changing and putting expiration dates of 2020, 2050 or even 2099.

But if you want to remove these expired debts our software has a global option to easily remove and also an option to globally modify expiration dates.

The Clearinghouse will delete all expired debts by January 3, 2014. These debts will lose their priority standing. So be sure to modify by December 31 if you want the opportunity to collect funds in the future.

Year-end Clean-up —Rejected SSNs/Debtors from Dept. of Revenue

On Thursday a.m., December 18, the Clearinghouse placed Excel files in secure folders for ONLY those local governments with debtors/debts that were rejected by the N.C. Department of Revenue during 2013.

It may be a business name with an SSN when it must be the individual's first and last name. Other times it is just a typo or transposed digits.

Unless corrected, these debts

will never be setoff. We suggest you check the SSN and Name against any records you may have and/or review via a Social Security lookup/verification service.

If you cannot find the corrected SSN and/or First/Last names, we suggest you change the debt(s) associated with these debtors to \$0.00 and send to us before the end of December.

Those rejected debtors that are not corrected or changed to \$0.00 may affect another local government. This is due to the fact that we roll up all debts and submit under the first SSN and Name ever received. If SSN and/or Name is incorrect and rejected no local government receives funds.

Be sure to download and save your Rejected Excel file. It will be automatically removed after 10 days.

New Participants—Are You Ready?

Housing Authorities and New Municipalities:

If you did a 2014 Participation form and have not heard from the Clearinghouse on how to get your letters created or your debts to us, please call immediately. We've been through the forms and emails and we believe everyone has been contacted. Many of you did not have Social Security Numbers or had to go through court documents in order to generate your list of debtors and may not yet be ready.

We now have 2014 Participation forms for thirteen Housing Authorities and are doing data entry for all but two. For those with less than 100 debts it may be easier and is definitely more secure to let us do your data entry at no charge.

When we do your data entry you just fill out a form downloaded from our Forms page. Fill out the information and fax to us. The fax number is on the form. We will enter your debts and submit to the Department of Revenue and

Education Lottery. If someone pays you can fax us the update. When funds are recovered we will send an email, without SSNs, so you will know who to expect funds deposited for.

Once you get more than 100 debts and will be sending new ones on a regular basis we can discuss moving you to our client software. This will allow you to manage your debts, do letters, reports and more.

Be sure you have set up an account at Capital Management. That is the only way to participate. Housing Authorities must remove funds within 3 business days of deposit!

N.C. Department of Revenue—One More Setoff File for 2013

December 10, 2013 was supposed to be the 22nd and last setoff file for 2013. But a few weeks ago, we received an email from the Department of Revenue that they would be providing one more setoff file on Tuesday, December 17.

This occurred last year and after we processed it we received several calls asking if this was a legitimate file to be accessed. We appreciate the security concerns. Maybe it will

be a yearly occurrence to receive a second setoff file each December. We will always feel fortunate to receive additional funds for local governments.

In order to give local governments as much time to process the files before shutting down for the holidays, we provided the files earlier than ever. To do so, we were here in the early morning hours when the

file became available and finished everything before 5:00 a.m.

We will probably receive 1-2 more files from the Education Lottery but we will hold them until we receive the next Department of Revenue the first Tuesday, February 2014. The Department of Revenue will probably begin processing tax refunds around January 13—15.

Note: DO NOT upgrade to Microsoft Internet Explorer 11 as our secure site software is not yet compatible. Back down to IE 10.

Interactive Voice Response (IVR) - be sure you're ready for 2014

On your 2014 Participation form you identified how your local government will use the IVR. There are several choices:

1. Just one contact name and phone number needed
2. Contact to discuss
3. Already set-up for multiple departments—no changes at this time
4. Already set-up for multiple departments—but

contact for changes.

If the Clearinghouse has not contacted you by December 27, 2013 to get your IVR set-up or modified then call or email us. We need:

- Department code: i.e. TAX, UTL, EMS, HLT, etc.
- Contact person or group (some don't want to give person's first and/or last name but a department of job title only)

- Phone Number
- If your Participation form lists your local government name as the IVR contact, we will list the Contact Name as we already state the local government name

Remember, there is no limit to the different departments a local government can use with our IVR.



Remember to call and check the IVR for pronunciation and accuracy. Check ALL departments if applicable, by December 27. Contact us if we need to make modifications.

NORTH CAROLINA LOCAL GOVERNMENT

DEBT SETOFF CLEARINGHOUSE

Website:
<http://www.ncsetoff.org>
Toll-free Support:
(866) 265-1668
Interactive Voice Response
(IVR): (877) 843-0330
E-mail: ncsetoff@ncsetoff.org

N.C. Clearinghouse Staff:
Bill Walsh
(President/Operations Manager)
Fran McClary, Billie Mills and
Brandon Walsh
(Customer Services)
Linda Kaneft and Marcia Padgett
(Debtor Inquiry)
Drew Bryant
(Software Developer)
Rich Ware
(Network Admin./Security)



North Carolina Association of
County Commissioners
Website: <http://www.ncacc.org>
Contact: Lisa Nolen
Phone: (919) 715-4362
E-mail: lisa.nolen@ncacc.org



North Carolina League of
Municipalities
Website: <http://www.nclm.org>
Contact: Wanda Veasey
Phone: (919) 715-2218
E-mail: wveasey@nclm.org
wveaeyncsetoff@ncsetoff.org

N. C. Department of Revenue
Tax Care Assistance
(919) 814-1118

N. C. Capital
Management Trust
(800) 222-3232

Client Software Version 2013 Update

New Version (2013.12) will be available by Thursday afternoon, December 19, 2013



- If using the older non-encrypted version (2013.06 or older) with this icon:
- This update is NOT needed to run any of the Year-end Clean-up options. You must wait until we convert you to the encrypted version. We will upgrade you to the latest version after the encrypted conversion is completed. Contact us if you are ready.
- Do NOT attempt to install the newest version if you have the above icon. It will keep you from being able to access your current database!

The upgrade is ONLY for users of the encrypted version!



- If using the encrypted version (2013.07 or newer) with this icon:

This update is needed to perform all of the Year-end features: Deleting \$0.00 debts, Debts < \$50.00 and Expired Debts. Users with version 2013.06 or older CAN run the year-end clean-up options and do not need the upgrade for that purpose.

- This is not a mandatory upgrade. But ALL USERS SHOULD UPGRADE TO THIS LATEST VERSION AS SOON AS POSSIBLE! There were some minor bugs in versions 2013.07—09 that have been corrected.
- The instructions for installing are now being generated and will be emailed to all current users no later than Thursday, December 19. Please forward the email instructions to your I.T. staff if they will be performing the upgrade and/or to the other users, as we may not have email addresses for all users. The Clearinghouse will be overwhelmed with upgrades so please attempt to do yourself. Contact us if you cannot upgrade successfully and want to execute one or more of the year-end clean-up options.
- In addition, the online help system and pdf will be updated to match the software no later than Monday, December 23.
- The latest we suggest executing the year-end Clean-up options is Friday, January 3, 2014

Year-end Instructions:

- Once the final setoff file of the year, December 17, has been downloaded and processed, it is now time to do your own Year-end cleanup. We've discouraged you from deleting debtors and debts until now. But now is the ideal time to get a clean file ready for the new year. Year-end cleanup is not required but it is recommended! Just note that taking any of these options will do them for ALL departments. So be sure other departments understand and are aware this is taking place.
- Only the Administrator can execute the above Year-end clean-up options
- Do one or more of these and then Transmit-Export to Clearinghouse-debtor Information by Dec. 27 but at the latest, January 3, 2014
 1. Delete debts = \$0.00 (whether setoff or not) OR debts = \$0.00 not setoff (suggested at a minimum)
 2. Delete debts less than \$50.00 (whether setoff or not) OR debts < \$50.00 not setoff
 3. Delete Expired Debts OR Expired Debts = \$0.00 OR all Expired Debts < \$50.00