

Winter 2011: Year-End/New Year Edition

Volume 1: Issue 2

December 9, 2011

Reminders

- Submit your online 2012 Participation Form NOW—check the status at <http://www.ncsetoff.org/participants.htm>
- Submit your online Names, Email Addresses and Notification list selections NOW
- A Capital Management 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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Year-End/New Year—What, When, Why?

November and December is a great time to review existing debts and also submit new debts for 2012.

Although it is getting late in the year, there is still time to send out the required notification letters giving debtors 30 days to appeal, or pay, before debts are sent to the Department of Revenue and Education Lottery.

The last day to send letters and still ensure debts are ready for the beginning of the new tax year is Friday, December 9. Very few debtors will file N.C. state tax returns by January 9, 2012. However, we suggest the notification letters be sent as soon as possible.

Note: debtors file tax refunds and win the lottery all year long, not just January through April.

Need help generating your letters? Let us help. If you use our older software, version 2007, we can do a mail merge and send you the letters via email.

If you use our new software, version 2011, we can connect remotely to your computer and help you set-up and print them. We can even create a pdf to save as proof letters were sent.

If you have an excel or ASCII file we can do a mail merge and email you the letters ready to print.

If you don't send every week, at least send us your debts file between December 15 and December 30 so we can have the latest debt amounts to start the new tax year. If you use version 2007, click the SEND DATA option; version 2011, click EXPORT to CLEARING-

HOUSE-Debtor Information.

ASCII/Excel users should submit an entire file and request a Purge and Reload, if possible.

What the Clearinghouse does before sending the first file of 2012 to the Department of Revenue and Education Lottery:

- Delete all \$0.00 debts
- Delete all < \$50 debts (new)
- Delete all expired debts
- Delete all Rejected SSNs/ Names that weren't modified

What are the benefits of the above? Less calls to local governments from debtors. Our IVR references all debts for an SSN, regardless of the amount. So debts that have been deleted will not be able to provide the local government name, contact and phone number to debtors.

Reminders—Before December 31, 2011

- Complete your required annual participation form: www.ncsetoff.org/2012ParticipationForm.htm. Print, sign and mail in a signed original. Must be received or existing debts will NOT be submitted in 2012 until submitted.
- 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.

1. Funds Received
2. Upload/Download Confirmations
3. Setoff Files Not Downloaded Reminder

4. Informational/ Newsletters/Workshops

Note; we will remove any current email addresses not listed on the form. Be sure any I.T. staff and vendors are listed if desired.

DON'T WAIT—SUBMIT BOTH OF THESE AS SOON AS POSSIBLE!



Probably the biggest mistake a local government can make is not sending a notification letter

Compliance Date - the start date of a debt
Expiration Date - the end date of a debt

Both are required



Rejected SSNs, Expired Debts and Debts less than \$50 will never be setoff unless corrected/adjusted/combined

Due Process—it's required and it's the law

It's a simple process but very important. Local governments need to send each debtor a letter giving them detailed information on the type of debt and the debt amount. The debtor must be given 30 days to appeal before a debt can be submitted to the Department of Revenue and Education Lottery.

Important Reminders:

1. Do NOT send letters to debtors BEFORE the debt is at least 60 days delinquent

2. Do NOT print the SSN on the letter, even last four
3. Send to the last known address, even if you know it will be returned
4. Send regular mail, certified is not required
5. If a letter is returned with a forwarding address, it is not required, but is recommended that it be forwarded
6. Save returned letters or scan them and save according to your required

7. Save a manifest list, electronic is recommended, in order to prove a letter was sent in the event of a complaint or even lawsuit
8. You can send the debt setoff letter to debtors even if you don't send to the Clearinghouse.

Need assistance generating your notification letters? Contact us, whether you use our software or not.

There is no charge.

Compliance Date—Expiration Dates—What are they?

Compliance Date—this is the date you want the Clearinghouse to BEGIN submitting the debt to the Department of Revenue and Education Lottery. It is similar to post-dating a check, it is held until that day is reached.

FAQs:

- 1) Can debts be sent to the Clearinghouse before the letters have been sent? We recommend the letters be

sent first and the Compliance Date be at least 30 days away. i.e., letters sent November 30 could have a Compliance Date of December 30.

- 2) Can the Compliance Date be a date in the past, even years ago, such as the date the debt became delinquent? Yes, as long as the letter has been sent and 30 days have passed before the debt is sent to the Clearinghouse.

As we will send the debt the following Tuesday.

Expiration Date—this is the date in the future you want the Clearinghouse to no longer submit the debt to the Department of Revenue and Education Lottery. Refer to the Statute of Limitations article in this newsletter. You may be able to change some or all Expiration Dates.

Year-end Clean-up—Clearinghouse Providing Important Info

The Clearinghouse once again will be sending emails in November/December with instructions for various cleanup issues:

- Rejected SSNs: (Nov. 8) excel file was provided to all local governments with debtors that have SSNs and Names that were identified as rejected by NCDOR. Unless corrected they will never be setoff. We cannot provide the accurate SSN an/

or Name due to privacy issues.

- Expired Debts: (Dec. 8) excel file was provided to all local governments all debts that have passed their Expiration Date. If the debts can be extended then do so, otherwise remove from your software or ASCII/Excel files.

We will delete all rejected SSNs/Names not modified and all expired debts the 1st week

of January 2012. However, if you do not change in your files or software you will restore invalid SSN/Names and Expiration Dates.

Be sure to review these files. They are removed after 10 days.

Contact us if we need to restore them and/or if you have questions.

Import Status and Error Report—can identify and stop disasters!

Each weekend the Clearinghouse processes all setoff files received during the week. Over 125 local governments send debtor files each week. The following Monday or Tuesday we send an Import Status report, via email, with the statistics, before and after along with an Error report that is available in the local government secure folder, since SSNs are often listed.

Reminders:

1. Sending weekly gives us your most current debt amounts

and also lets us process your files and identify any errors or issues, such as debts that have become Expired.

2. If you request a Purge and Reload look for Previous Debt Amount = \$0.00
3. If you are set as an Automatic Purge and Reload the Previous Debt Amount is not \$0.00, but the amount BEFORE all debts are changed to \$0.00
4. If any errors are identified in the email, check the Error

Report and make corrections

5. If you submitted lots of new debts or deleted many debts, verify the New Debt Amount
6. You can download the Error report from our software, old and new, no need to sign-on to the secure website

Contact us immediately if you see any problems or have questions.

Previous Debt Amount: \$0.00

Current Debt Amount: \$324,981.00

Net Amount: \$324,981.00

Above is a Sample Email Import Status Report after a Purge and Reload

Need an Excel File of All Debts? Just Make A Request

1) How would an excel file of all of your debts help?

It can be reviewed to ensure that all desired debts are included and those no longer needed can be deleted.

2) What information is included?

SSN, First Name, Middle Initial, Last Name, Address, City, State, Zip, Debt Amount, Compliance Date, Expiration Date, Account Number, Unique ID,

Agency Code, Department, Setoff Amount and Setoff Date.

3) Is it in a format that can be re-submitted back to the Clearinghouse once edited?

It has all of the information but is in a different order and needs to be modified with simple copy and insert functions.

4) Can an excel file of just one department be created?

Yes, just let us know how to

identify the department. Account Number may be able to determine it.

5) Can the excel file be emailed?

No, it will be placed in your secure folder.

6) How to Request an Excel File?

Send an email request to:

ncsetoff@ncsetoff.org



Best method for verifying the Clearinghouse has only the debts you desire

Interactive Voice Response (IVR) - be sure you're ready for 2012

The IVR is a dedicated computer system and eight phone lines that allow debtors who have received a letter from the Department of Revenue to call and get information. The caller enters their SSN and hears, in random order, ALL local governments that have submitted debt against their SSN. If no information is given for the SSN it could be a spouse that has debt.

Reminders:

1. The IVR will not identify which local government received funds
2. We can set-up different contacts and phone numbers for local governments if the department code is provided. Only available to AS-CII/excel and software version 2011
3. There is a special toll free phone number to access past

setoff information back to 2002. The debtor name, setoff date, account number, local government receiving funds, amount and fee. DO NOT give this number to debtors, only for local government use. You are welcome to call us but may prefer this method. Try it!

Call or email us for the phone number.



Remember to call and check the IVR for pronunciation and accuracy. Check all departments if applicable., by December 30 . 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
(Customer Services)
Brandon Walsh
(Customer Services)
Drew Bryant
(Software Developer)



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

N. C. Department of Revenue
Tax Care Assistance
(877) 252-3052

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

Client Software Version 2011 Update

New Version Now Available (2011.11a) - changes since 2011.10

- Fixes an error when calculating monthly interest accrual. Only applies to Tax debts that are imported via the Import/Export process. Only affected one County. Optional for all others, suggest waiting until we send another required upgrade, estimate, late January 2012
- Online help: <http://www.ncsetoff.org/ApplicationHelp.htm>—next update January 2012

Upgrade Status:

- Number of Local Governments Converted: 142 (Counties: 42; Agencies: 9; Municipalities: 91)
- Number of Local Governments Requested/Awaiting: 61
- Number of Local Governments Not Yet Requested: 162

Reminders:

- After entering new debtors and printing notification letters be sure to “Mark as Printed” so you can print only new or updated debtors next time
- We can assist you in printing your letters and saving a pdf version
- Do NOT attempt to do an Import/Export of an ASCII or Excel file yourself. Let us connect remotely, check the file and assist you. Once you feel comfortable doing alone, you can do subsequent imports. You can cause severe damage unless done exactly. Let us assist as we’ve done it many times.

Year-end Instructions:

- Following the final setoff file of the year, December 15, it is recommended you do your own cleanup, starting around December 16
- Do one or more of the following and Export to Clearinghouse by Dec. 30

Year-end Clean-up options:

- Delete all debts = \$0.00 (whether setoff or not)
- Delete all debts = \$0.00 not setoff (suggested at a minimum)
- Delete all debts less than \$50.00 (whether setoff or not)
- Delete all debts less than \$50.00 not setoff
- Delete all Expired Debts
- Delete all Expired Debts = \$0.00
- Delete all Expired Debts less than \$50.00

Year-end Reminders: CONTACT US FOR ASSISTANCE

- We maintain all past setoff information and will be able to import that information in a future upgrade, estimate, winter 2012
- Only the Administrator can execute the above options
- Selected options does ALL departments