

Debt Setoff— 2014 Pre-Workshop Edition

Reminders:

- Registration is required for the Training Workshops—register now at <http://www.ncsetoff.org/2014WorkshopRegistration.htm>
- Training Workshops handouts should be available by August 15, 2014, view: <http://www.ncsetoff.org/Training.htm>
- 2015 Participation Form will be available beginning September 1, 2014

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July 31, 2014

Six FREE Training Workshops Set for September 2014

The 2014 training workshop locations are set:

1. Tuesday, September 9
Beaufort County Comm. Coll.
 5337 Hwy 264 East
 Washington, NC 27889
2. Wednesday, September 10
Whiteville City Schools Office—Civic Room
 107 West Walker Street
 Whiteville, NC 28472
3. Thursday, September 11
Raleigh Quorum Center
 323 West Jones Street
 Raleigh, NC 27603
4. Tuesday, September 16
Waynesville Police/Planning Zoning Building Board Room
 9 S. Main Street
 Waynesville, NC 28786
5. Wednesday, September 17
Hickory Council Chambers
 76 North Center Street
 Hickory, NC 28601
6. Thursday, September 18
Asheboro Public Works Conference Room
 1312 N. Fayetteville Street
 Asheboro, NC 27204

- Maps for all are now available on the Training website page: <http://www.ncsetoff.org/Training.htm>
- Agenda will be available by August 8—an email will be sent when ready and posted on the Training website: <http://www.ncsetoff.org/Training.htm>
- Recap changes since last workshop
- Planned changes for 2014-2015
- 2015 Participation form
- Preparing for 2015
- Dept. of Revenue Update
- Security
- Website
- ASCII/Excel
- Client Software update and demonstration

Each Training Workshop has two Different Sessions:

1. 10:30—11:30: New participants

Main topic is the required one-time paperwork/contractual agreements and preparing to submit debts for the first time.

Others who should consider:

- Local governments that have not completed all of the required paperwork to participate should attend
- Attendees who have attended this presentation in past and want a refresher
- First time attendees to a debt setoff workshop
- Your local government is currently participating in debt setoff but it is a new responsibility

2. 1:00—3:30: All Attendees

Some of this year’s topics:

The presenters will be:

- N.C. Assoc. of County Commissioners
- N.C. League of Municipalities
- Department of Revenue
- Five Star Computing

Online registration is required and is now available at <http://www.ncsetoff.org/2014WorkshopRegistration.htm>

Spaces may be limited at some locations so don’t delay. There is currently no limit on the number of attendees for a local government.



Nothing is more important than protecting the data of the local governments participating in the N.C. Local Government Debt Setoff program.



The Clearinghouse sincerely appreciates the local governments that attend the workshops each year.

Security— Again a Major Focus Of This Year’s Training Workshop

At the 2013 Training Workshops we discussed and demonstrated our plans for a more secure version of our free client software. We have since completed the conversion of more than 235 local governments to the encrypted version. Our staff began last June and had all converted but a handful by December, as was the goal. Several had hardware or I.T. resource issues that delayed our request to upgrade them by the end of 2014.

The main security enhancement:

- All occurrences of social security numbers, user ids and passwords are encrypted
- The url to the secure website is also encrypted, along with the “ncc/ncm” username and smart password

This upgrade included several additional security features.

- Transmit password must be updated every 76 days as it expires and is locked if not updated after 90 days, requiring the Clearinghouse to unlock
- Viewing online and printing of social security numbers is set for each user and has three options:
 1. All nine digits
 2. Last four digits
 3. No digits

Some other security features of the client software implemented over past few years:

- Export Excel file option requires user to have full nine digit access in order to create file with full SSN
- When setoff.txt file is downloaded and imported into the software, the file is deleted. The only occur-

rence of SSNs is in the encrypted database

The current number of users on the encrypted client software:

- Counties: 61
- Agencies: 16
- Municipalities: 173

Total: 250
61% of all participants use our software!

Other Security Features implemented in 2014 for all participants:

- All Excel files provided after a setoff only have the last four of SSN
- Only the match.dat (ASCII file used for I.T./3rd parties) currently has the entire nine digits. This will change in 2015 to only those that specifically request it

Already Participating—So Why Attend?

There must be a good reason that over 400 people have attended workshops EACH of the last five years.

There will be updates from staff with the N.C. Association of County Commissioners, League of Municipalities and Department of Revenue. Five Star Computing, the vendor for the Clearinghouse will also provide training and explain the latest upgrades on the client software.

If your local government is already participating there is probably no reason to attend the 10:30—11:30 morning session as that mostly covers the eligible participants and the required one-time paperwork/agreements. But feel free to

attend and bring others if interested in seeing what we discuss. This session is entirely optional except for new prospective participants.

We highly advise that ALL local governments attempt to have at least one person attend the 1:00—3:30 afternoon session. There is always new information at that session.

The past five years have focused a great deal on our software and this year is no different.

Over the years we have had many local governments who attend each year to hear about recent changes to legislation and processes. In addition, both recent and future changes are

discussed and ample time given in case vendors and/or I.T. changes are required.

We encourage counties and municipalities with large numbers of debts and/or multiple departments to bring I.T. staff. Third-party vendors are welcome but need to be accompanied by local government staff.

If you have any ideas, suggestions or questions you would like addressed at the workshops please specify in the area designated on this year’s registration form.

If you cannot attend this year be sure to view the online handouts and presentation materials coming soon.

More Secure Methods For Excel ONLY Participants

While an Excel file may be the simplest method for a local government to submit an entire file of debtors, there are concerns. Excel is an easy way for anyone who can access the file to open and view SSNs and names.

There are three options for those local governments currently submitting Excel files.*

1. Convert to our client software which has encryption and additional security features like masking SSNs by user

2. Allow us to do your data entry (if only 150 debts or so and minimal additions/edits monthly). A great option for municipalities, housing authorities and most agencies.
3. Stay with Excel, but send with an encrypted password (contact us to provide your password). Not as secure as options 1 and 2 above, but better than not encrypting with a password.

* does not refer to users of client software who import Excel files into the software.

In the near future, we will begin requiring an encrypted smart password for the Excel imports into our client software.

So if you are currently using Excel and would like to upgrade to our software call us or go ahead and complete the [required online request form](#).

If interested in us doing the data entry, please call or email us.

The two safest alternatives to securing Excel data: 1) switch to our client software; or 2) let us do your data entry and eliminate the need to store Social Security Numbers

Can You Use Our Software If You Have Vendors/3rd Parties?

We have more than twenty local governments that use our software and receive ASCII and/or Excel files from another provider. There are at least four third-party vendors submitting files to their own secure folders. We transfer the files to the local gov't's folders then connect via remote software to the local government and do the imports for them.

There are also varying methods of files that can be imported:

1. An entire replacement file for a department/account code
2. (ADDS Only) Add the entire file to existing debts
3. (ADD and ADJUSTMENTS) Add any new debts while also updating any existing debts (uses SSN and Unique Key)
4. (ADJUSTMENTS ONLY) Update existing debts and replace with new balance

The best method is NOT to do an entire replacement. That wipes out history and loses the priority. The other options do retain history and priority. See if your vendor/3rd party can provide just new debts and updates to existing debts.

We don't need 3rd parties to send us debts we have setoff as we have those balances. The preference is just new debts and those debts they collect directly.

A Replace Option in our software will remove the debt history and priority. Get the vendor/third-party to send ONLY new debts and updated balances

Surplus Excel Files—Very Important But Often Neglected

When the Clearinghouse processes a setoff file from the Department of Revenue and Education Lottery, we identify if we received more funds for any debtor than they owe at the time. This can happen for various reasons, probably no fault of the local government or the Clearinghouse. Often, just a timing issue or the debtor may have filed multiple tax refunds or had a refund and lottery winning, or even multiple lottery winnings.

When this occurs the Clearinghouse provides an Excel file (surplus.xlsx) of these surplus debtors/debts, if a refund must be processed,:

1. SSN (last four digits)
2. Name
3. Address from Dept. of Revenue
4. Surplus Amount (as best determined by Clearinghouse)

5. Fee (usually \$15 but often \$0 if already fee taken in calendar year)

6. Department

If using our software, do TRANSMIT-IMPORT FROM CLEARINGHOUSE-SELECTIVE and choose the surplus.xlsx.

ASCII/Excel Users can simply download surplus.xlsx with the others in the secure folder.

The Clearinghouse is surprised by the many local governments that don't download their surplus.xlsx files

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:

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(President/Operations Manager)

Fran McClary, Billie Mills and

Becca Walsh

(Customer Services)

Drew Bryant

(Software Developer)

Linda Kanefit and Marcia Padgett

(Debtor Inquiries)

Rich Ware

(Network Admin./I.T Mgr.)



North Carolina Association of
County Commissioners

Website: <http://www.ncacc.org>

Contact: Scott Kauffman

Phone: (919) 715-2893

E-mail:

scott.kauffman@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
Debt Setoff Unit
(919) 814-1119

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

Announcements, Reminders, Updates and Tips:

• Announcements

Latest Version—2014.03a (March 2014)

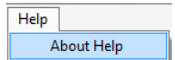
In June the Clearinghouse made available a self-extracting file that installs the latest version of the software for either Windows 7 or Windows XP. The main reasons for the upgrade:

- Code signature (signifies we are a trusted software developer and our code has not been altered) upgraded from 1 year (expiring in July 2014) to an additional two more years (expires in June 2016). Allows our software, when executed, to pass through most Virus Protection without warning
 - Let us know if you encounter a warning message when executing the NCDebtsetoff.exe software application

In addition, another file was provided that is required to increase the level of file transfer security:

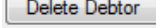
- DMZAPI_Win_80.exe upgraded to the latest version, 8.0.0. When a Transmit-Export or Import is executed this Application Program Interface (API) sends the file encrypted to the secure folder

Contact us if you do not have version 2014.03a. If unsure, choose this option:



to verify

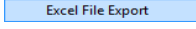
• Reminders

- Be patient, do not click this button:  Wait until the last setoff in mid-December and run the Year-end cleanup options to remove debtors.
- If choose this option you could be removing someone that has recently been setoff or will be setoff before we can remove their debt at the Department of Revenue and Education Lottery
- If we receive funds and attempt to apply the setoff against your debtors/debts, it will appear on the Error Report and show only the Unique ID it is looking for. We are depositing the funds in your account but can't apply to a debtor since the debtor has been removed. A sample of the Error Report when two debts were setoff for a debtor and the debtor and/or debts have been removed:

North Carolina Debt Setoff Program			
C016: Sample Local Government			
Setoff Error Report for 03/18/2014			
Date: 7/31/2014			
SSN	UNIQUE NUMBER	SETOFF AMOUNT	ERROR
	9456	324.43	Call Clearinghouse at 866-265-1668
	223	135.03	Call Clearinghouse at 866-265-1668

• Updates

Software issues we have on our list:

- Ensure the Import/Export option  matches the setoff.txt file and setoff report information - estimate is September 30, 2014
- When editing a debt, if changing Compliance Date, the Expiration Date changes to three years from Compliance, overriding the Account Code Configuration setting
- When adding or editing debt, have cursor appear on the debt amount
- Online Help and PDF (to be current with the above software changes) - estimate Sept. 8, 2014

Are there any errors or bugs you are experiencing? Our latest version may correct it, if not we will put on our list. Or do you have a suggestion for the software? Send to ncsetoff@ncsetoff.org.