NORTH CAROLINA LOCAL GOVERNMENT DEBT SETOFF CLEARINGHOUSE

2013 Debt Setoff— Early Summer Edition

Reminders:

- Next setoff file will be Tuesday, July 9, available July 11

- Want to view past newsletters? Go to http://www.ncsetoff.org/news.htm

- Free Training Workshops will be in six locations in September 10-12 and 17-19. Registration available by August 5 and documentation/handouts by August 26.

Setoffs through June 18, 2013 - Best Start Ever—$ 30,954,479

The first ten setoff files for 2013 are the best start for the N.C. Local Government Debt Setoff Clearinghouse.

1. $2.13M (Feb.5)
2. $11.07M (Feb. 19)
3. $4.78M (Mar. 5)
4. $2.93M (Mar. 19)
5. $2.21M (Apr. 2)
6. $2.11M (Apr. 16)
7. $3.50M (May 7)
8. $914K (May 21)
9. $470K (June 4)
10. $288K (June 18)

- Increase over same time in 2012: $2.49M (+8.92%)

- The total setoff since beginning in 2002 is now $189,594,753.22

We now have 55 (up from 41 this time last year) local governments recovering more than One Million dollars since starting in 2002:

- Mecklenbrg EMS: $13,631,541
- Gaston County: $11,763,923
- Mecklenburg County: $7,591,759
- Wake County: $7,525,032
- Cleveland Cty: $5,760,280
- Guilford County: $5,488,978

- Forsyth County: $5,406,021
- Durham County: $5,181,366
- Robeson County: $4,997,614
- City of Charlotte: $4,063,614
- Rowan County: $3,848,873
- City of Raleigh: $3,771,915
- Wayne County: $ 3,748,808
- City of Winston-Salem: $2,790,051
- Vance County: $2,731,126
- Pitt County: $2,688,673
- Rockingham Cty: $2,593,969
- City of High Point: $2,328,665
- Lincoln County: $2,316,226
- Iredell County: $2,254,077
- Craven County: $2,167,710
- Duplin County: $2,038,861
- City of Wilson $2,003,414
- Union County: $1,983,714
- Randolph County: $1,971,923
- Catawba County: $1,898,945
- Wilson County: $1,893,843
- Caldwell County: $1,888,680
- Alamance County: $1,885,642
- Johnston County: $1,856,549
- City of Durham: $1,747,721

- City of Asheville: $1,617,550
- City of Gastonia: $1,5702,385
- Surry County: $1,544,433
- Onslow County: $1,491,008
- City of Lexington: $1,417,074
- Hertford County: $1,399,099
- Wilkes County: $1,296,974
- Davidson County: $1,268,202
- Harnett County: $1,257,048
- New Hanover Cty: $1,248,075
- Nash County: $1,185,390
- City of Greensboro: $1,158,638
- City of Greenville: $1,155,197
- Martin County: $1,147,399
- City of New Bern: $1,136,436
- Sampson County: $1,113,211
- Person County: $1,043,957
- Buncombe County: $1,043,841
- Pasquotank County: $1,037,794
- Bladen County: $1,035,136
- Franklin County: $1,034,368
- Beaufort County: $1,020,499
- Halifax County: $1,016,063
- Bertie County: $1,003,285

ASCII/Excel users — Pay attention to your AUTO PURGE/RELOAD setting EACH time you receive these emails!

Weekly Imports/Adjustments Changes Started April 8

Did you notice the changes to your weekly email "Entity to Clearinghouse Import Report". Not sure what this is, it is emailed and has the Subject: "N.C. Local Govt. Debt Setoff Clearinghouse has successfully imported your data file".

Client Software Users: It now gives instructions on how to print the Import Status Error Report via the software. There is no need to sign-on to the secure website and download it to view. The software has a report option called Import Status Error Report which is much quicker and simpler.

ASCII/Excel Users: Several changes:

1. Put the filename submitted in the email subject and in the body. Very informative and helpful to those who send multiple files during the week to see what the results are from each file.

2. Lists the Automatic Purge/Reload setting , either YES or NO. Check this to be sure it is what you want and have been expecting. A "YES" results in the following processes: a) capture the current totals; b) zero all debts for ALL departments; c) load this file; d) list the updated totals

If you are set to "NO" and would like to change, send an email. Some local governments

request a Purge/Reload each time but are set to "NO". If always request a Purge each time why not let it be automatic. This way you can see the weekly adjustments (increase/decrease) rather than prior debt amount $0.00.

Remember, if you submit separate ASCII/Excel files for different departments we cannot set you to Auto Purge/Reload. Just put in the Notes filed in the upload to Purge and Reload just that department(s) in the file submitted.

Confused, call Bill Walsh to be sure we can do what is needed without corrupting the debts.

Files uploaded to the Clearinghouse on Mondays will wait until the weekend unless we get a phone call and reason. Please send Friday, don't wait until Monday!

Weekly Adjustments—What Happens in Detail

When local governments send files during the week to their secure folder, we let them remain until the weekend. We create the file for the Department of Revenue on Mondays and send Tuesday mornings. Below is a normal weekend process.

1. Friday evenings we first capture the current totals for debtors, debts and amount of debt for all local governments that submitted a file(s)

2. We retrieve all XMIT.txt files submitted by users of our Client Software. This removes them from the local government's secure folder and places on the Clearinghouse file server.

3. New updated totals for debtors, debts and amount of debt is calcu-

lated and saved for Client software users.

4. The XMIT files are then processed and updates the master database. Normally the only thing that will stop the process is if a single or double quote was used in the persons name or address. We remove and then continue. If the process runs continuously, it normally takes about six to eight hours and we let it run Friday night.

5. On Saturday, the next major step is to do the special Purge/Reload requests from the Notes area in the Upload.

6. ASCII files are then downloaded to the Clearinghouse server and removed from the local

government's secure folder.

7. These ASCII files are then processed and updates the master database. If the process runs continuously, it normally takes about eight hours.

10. New updated totals for debtors, debts and amount of debt is calculated for ASCII users.

12. On Saturday evenings or sometime Sunday, all Excel files are downloaded to the Clearinghouse server and removed from the local government's secure folder.

13. These Excel files are processed and updates the master database. The total debt amount (column l) is generated and will be

Weekly Adjustments—What Happens in Detail (continued)

Let us know as soon as possible if your numbers do not appear accurate. A Current Debt Amount of $0.00 would be a good reason for a call to us!

verified in the next step.

14. An internal Clearinghouse program reads the excel file and creates a total of the amount of debt which must match step 13.

15. These Excel files are processed and updates the master database. If the process runs continuously, it normally takes around four hours.

16. New updated totals for debtors, debts and amount of debt is calcu-

lated and saved for Excel users.

17. A spreadsheet is generated that shows the number of debtors, debts and debt amount to be verified that no local governments have $0.00 debt amount unless there is a reason. In addition, a formula is checked to review the amount of increase or decrease that occurred from the weekend process.

18. Once everything appears

to be correct an email is sent to all local governments that submitted a file (s) with the before and after information. Pay attention to Number of Debts Rejected, Debts Expired and Amount Rejected. Debts Not Yet Compliant means the Compliance Date has not yet passed and these debts are still being held at the Clearinghouse and have not been submitted to the Department of Revenue.

Weekly Adjustments—What You Can Do to Help

Since we now have to check and modify ASCII files and check the format and generate totals for Excel files, it adds more than 3 - 5 hours each weekend.

Client Software Users:

- Be sure there are no single or double quotes in name or address

ASCII Users:

- Replace all single and double quotes with a space
- Remove the End of File Character (EOF) at end

Excel Users:

- Remove all single and double quotes, no need to replace with a space
- Be sure there is only one row of the header and it is our required layout with nothing beyond column Q
- Remove any Freeze Panes
- Make sure column "I" is numeric and creates a Sum formula at the bottom. If it won't then we

have to convert it. If it won't Sum it may be text (even look like a number with decimal points). You should have a total at the bottom of column "I" so you know the amount in the file!

- Leave this total at the bottom of column "I"
- **OR switch to our software, especially if have 100 or more debts**.

Mandatory Security Requirements/Updates Coming Soon

If your local government is an ASCII/Excel participant you can contact us as soon as you are ready and we will initiate the process to let you create your new Smart Password.

All passwords are changing!

- We state in our training workshops that a local government can request that the smart password be changed when someone leaves, a new third-party vendor is involved or just after an amount of time. Still, we will begin implementing a standard frequency of smart password changes.

- We will begin connecting remotely starting Wednesday, July 10 and changing for our Client Software Users.
- ASCII/Excel Users will be contacted by the end of August informing them of the requirements. Each ASCII/Excel participant will create their own smart password according to the following requirements:

- Minimum length: 12
- Cannot contain or be similar to the Username
- No dictionary words
- Must contain at least one letter and one number
- Must have at least one upper and one lowercase letter
- Must have at least one special character

Client Software Version 2011/2012/2013 Information/Update

Announcements, Updates and Tips:

TIP:

- The *Transmit-Import from Clearinghouse-Setoffs* option should only be done ONCE. Many people may be receiving the email stating " a file has been processed from the Dept. of Revenue & Education Lottery". We strongly suggest that only ONE person and perhaps an alternate should have the responsibility for the Import-Setoffs. Once imported, the assigned person or alternate should send an email or call the other users and inform them that they can now do the *Report-Setoff Report* option for their department (or ALL if need to see the entire setoff and have the user rights to do so). If the report states "No Data for Report" then the Import Setoff process has not yet been completed. To restrict persons from being able to do the Import Setoff process we have added User Access controls (in version 2013.05 and 2013.07e) to allow only certain users this function. However, if a User has access to Transmit, they can still Import Selective and Export the Debtor Information and the other export options.

UPDATES:

- **Current Version: 2013.05 is available for all and has the following corrections and new features:**

  - Fixed the truncation of the address on the Department of Revenue Address report

  - Fixed the display of the zip+4 from a Dept. of Revenue address update

  - Fixed the unmark letters as printed option

  - Import Setoffs:

    - User rights modified to restrict user(s) from the Import Setoff process, defaults to YES if the user has the Transmit option set to YES

    - If Import Setoff has already been downloaded a warning message appears

    - For debts not setoff to $0.00, the local govt.'s balance is checked. If it is $0.00 or less than in remaining balance in the setoff.txt file, it will appear on the Error Report (1st page) and does not increase the current debt amount that the local govt. has. The debt balance should be reviewed and updated manually if necessary.

ANNOUNCEMENTS:

- **Security Enhancement Update Available for All Debt Setoff Software Users**

  The Clearinghouse Technical Support staff will be contacting all existing users of our software to upgrade the SQL database and the software version to provide enhanced security features.

  The software is version 2013.07e—features include:

  - Encryption of all user names and passwords

  - Reset of the secure website smart password (to 15 characters) and reset of admin password (to 12 characters minimum)

  - Administrator can set user rights for Social Security Number access:

    - View options (3): Full nine digit SSN, Masked (only last four), No SSN— for all Debtor Information screens, including Quick View

    - Print options (3): Full nine digit SSN, Masked (only last four), No SSN—for all reports, including Import Setoff

  - When the SQL update is completed, all users for all departments will require the new version (2013.06) and an updated settings.txt

  - Goal is to have all 220+ users local governments converted by October 31, 2013