

2014 Debt Setoff— Early Summer Edition

Reminders:

- Due to fiscal year end, the June deposits from Dept. of Revenue to Capital Management will be delayed several days.
- If a surplus.xlsx appears in your folder, download it, save it, open in Excel and review it, as it may require a refund. The Statute requires refunds within a short time or interest may apply.

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Volume 4: Issue 2

June 16, 2014

Setoffs through June 3, 2014—Best Start Ever—\$31,341,162.86

The first nine setoff files for 2014 is the best start for the Local Govt. Debt Setoff Clearinghouse.

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| <ul style="list-style-type: none"> 1. \$1.60M (Feb. 4) 2. \$11.55M (Feb. 18) 3. \$5.31M (Mar. 4) 4. \$2.63M (Mar. 18) 5. \$3.73M (Apr. 8) 6. \$2.84M (Apr. 22) 7. \$2.27M (May 6) 8. \$2.01M (May 20) 9. \$1.09M (June 3) | <ul style="list-style-type: none"> • City of Raleigh: \$4.619M • City of Charlotte: \$4.606M • Rowan County: \$ 4.419M • Wayne County: \$ 4.195M • Pitt County: \$3.395M • City of Win.-Salem: \$3.093M • Vance County: \$3.059M • Rockingham Cnty: \$2.974M • City of High Point: \$2.720M • Lincoln County: \$2.599M • Iredell County: \$2.568M • Craven County: \$2.517M • Union County: \$2.443M • Alamance County: \$ 2.429M • City of Wilson: \$2.347M • Johnston County: \$2.238M • Catawba County: \$2.209M • Randolph County: \$2.187M • Duplin County: \$2.176M • Wilson County: \$2.150M • Caldwell County: \$2.117M • Surry County: \$1.952M • Onslow County: \$1.884M • City of Durham: \$1.792M | <ul style="list-style-type: none"> • City of Asheville: \$1.750M • City of Gastonia: \$1.745M • Wilkes County: \$1.675M • City of Lexington: \$1,595M • City of Greenville: \$1.548M • Hertford County: \$1.537M • Davidson County: \$1.519M • New Hanover Cnty: \$1.514M • City of Greensboro: \$1.450M • Sampson County: \$1.405M • Harnett County: \$1.391M • Bladen County: \$1.379M • Buncombe County: \$1.334M • Nash County: \$1,332M • Martin County: \$1,293M • City of New Bern: \$1.282M • Franklin County: \$1.238M • Person County: \$1.208M • City of Rocky Mt: \$1.199M • Pasquotank County: \$1.188M • Halifax County: \$1.184M • Beaufort County: \$1.071M • Bertie County: \$1.060M • City of Fayetteville: \$1.025M • Henderson County: \$1.022M • Cabarrus County: \$1.002M • City of Lumberton: \$1.000M |
|--|---|--|

Local governments recovering \$1M+ since 2002:

- Mecklenburg EMS: \$16.570M
- Gaston County: \$13.013M
- Mecklenburg Cnty: \$9.404M
- Wake County: \$9.189M
- Guilford County: \$6.749M
- Cleveland County: \$6.270M
- Durham County: \$6.268M
- Forsyth County: \$6.242M
- Robeson County: \$5.822M

In client software, only the admin sign-on can change the Smart Password. The option is located in Tools-Administrator-Account Info.

Though not yet required by law, ALL Users of our Client Software are now encrypted.

The Clearinghouse is strongly encouraging all XP users to migrate to Windows 7 or 8. We will assist in the migration by installing and testing our software.

Passwords—A Constant Process—Now and Forever

Every local government has now had their password changed at least three times since we changed the requirement to 90 days. As users of our client software were converted to the encrypted version, we changed passwords for the first time. Once a password is 76 days old an email is generated to ALL email addresses stored in each secure folder. The Clearinghouse email, ncsetoff@ncsetoff.org also gets a notification. We have pdf instructions for those using our software that want to

attempt themselves. We appreciate those that can change their own passwords.

It is a bit simpler if you do not use our client software, since there is only one place to change it. The Clearinghouse will assist those that use our client software. However, since it must be done every 90 days we hope that the users will learn to handle themselves.

Reminders:

- if not changed within 14 days after the warning

email, the password becomes locked and requires Clearinghouse intervention

- only ONE person needs to change the password, even though many may receive the email warning
- it does NOT affect signing on to the client software, only the TRANSMIT
- Client software TRANSMIT options become disabled during 14 day warning period

Security Upgrade Completed

It was an enormous but important project. We completed the conversion of nearly 250 local governments that use our client software, all but a few by the end of 2013.

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

The main purpose was to encrypt the data. Although not yet required by law, the N.C.

Association of County Commissioners and League of Municipalities staff approved of and was informed of the status throughout the project.

The project even required additional staff in order to complete by our goal of December 2013. Fran McClary and Billie Mills (hired in June 2013) contacted, scheduled and converted the database and each user workstation. There were more than 400 worksta-

tions that had to be connected to in order to function. We did receive assistance from some local I.T. staff but we did more than 90% of the upgrades.

Also included was the reset of all user sign-on passwords with a minimum 12 character smart password. In addition the transfer password was changed and now has a 90-day expiration with a 14 day warning notice provided by email.

Still Using Microsoft XP?

You are probably already aware that Microsoft stopped support of this 12 year-old software on April 8, 2014. This means that no additional security updates will be provided, making this operating system vulnerable to hackers, malware, etc.

The importance of the integrity and security of debtors in debt setoff need to be taken very seriously. Even one new workstation migration from XP can

significantly increase the security of your confidential data. Let us know if we can advise or assist.

In the event of a failure of an XP workstation that currently houses the SQL encrypted database, we will not re-install our client software.

We can convert any local government to the Clearinghouse performing data entry functions. Charges may apply for

databases with more than 100 debtors/debts. Contact us to discuss.

Our software will function on Windows 7 or Windows 8. If your database is located on a file server, it is a simple process for us to upgrade your client software on a new workstation.

We can handle most if not all, of the efforts but will work with your I.T. staff.

Training Workshops for September 2014 being Finalized

For the thirteenth consecutive year, at least six free training workshops will occur across the state in September.

At this time they are scheduled for the second and third weeks of September.

Week 1:

- September 9 (Tuesday)
- September 10 (Wed.)
- September 11 (Thursday)

Week 2:

- September 16 (Tuesday)
- September 17 (Wed.)
- September 18 (Thursday)

In the past sessions were 10:30—11:30 a.m. for new participants AND 1:00—3:00 p.m.—all attendees

Dates to Note:

- Locations should be set by June 27
- Registration is online and required. There is usually no limit to the number of

attendees. For a local govt.

- Notifications should be emailed around July 7
- A planning meeting will be held in Raleigh in mid-July to set agenda
- Agenda and Online Handouts should be available around August 4

Please send any comments or suggestions to

ncsetoff@ncsetoff.org

Free Training Workshops Coming in September. Dates and Locations are Being Finalized Now. Check website, emails and Newsletters.

Email—We Can't Guarantee We Can Get to You

As spam and mail controls become more aggressive often the mail from the Clearinghouse doesn't make it through. Sometimes we get notifications that mail sent to local governments was rejected but most times we do not.

We get calls from aggravated users stating that they have

been notified that funds were deposited at Capital Management but no email notification was received.

If you suspect you are not receiving any of the various emails from

ncsetoff@ncsetoff.org, customerservice@ncsetoff.org or

fivestarc@fivestarc.com check your Junk folder first as often times users find our emails there. Otherwise, call us and we can provide the IP addresses that your I.T. staff needs to whitelist. We appreciate your cooperation as this can be frustrating for all parties.

Check the Setoff Calendar on the website, then access your secure folder to see if a setoff file is available. Don't rely just on an email.

Frequently Asked Questions about Sending Files to Clearinghouse

1. How often can local governments send files to the Clearinghouse? *Files can be submitted weekly, not just during tax season. Refunds and Lottery winnings occur daily.*
2. What is the cutoff for files being submitted to be included in the weekly file to the Dept. of Revenue? *The guaranteed day and time is Friday by 5:00 p.m.*
3. If there is an emergency and a file was sent after the Friday 5:00 p.m. cutoff, can it still be processed? *YES, but a phone call or email needs to be sent re-*

questing it and a valid reason for the delay. There are so many steps in reconciling and creating the weekly file that any delays to run another file may affect all others.

4. If a local government uses the client software what is actually transmitted? *The entire file of debtors and debts, for ALL departments, is sent each time the file is exported to the Clearinghouse.*
5. How does a local government know the file they submitted was received?

An automated email with the Subject "File Upload Confirmation" is sent immediately after received.

6. Can a local government add, change or delete emails from the list that receive File Upload Notifications. *Yes, just send an email with the changes to ncsetoff@ncsetoff.org*
7. Is the data shared with any other agencies/businesses? *The Dept. of Revenue sends a file every few weeks to the Education Lottery. But the Clearinghouse ONLY transmits to*

The information on debtors is not shared with any credit bureaus or collection companies! The Clearinghouse ONLY transmits to the N.C. Department of Revenue.

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
 Becca Walsh
 (Customer Services)
 Drew Bryant
 (Software Developer)
 Linda Kanefit and Marcia Padgett
 (Debtor Inquiries)
 Rich Ware
 (I.T. Support)



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

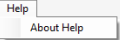


North Carolina League of
 Municipalities
 Website: <http://www.nclm.org>
 Contact: Wanda Veasey
 Phone: (919) 715-2218
 E-mail: wveasey@nclm.org

N. C. Department of Revenue
 Debt Setoff Unit
 (919) 814-1119

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

Client Software Version 2014 Update and Reminders

- **Latest Version Available to All — March 2014 (2014.03a) - those with a version prior to 2014.03a should contact us. Recent bugs/fixes corrected in these versions:**
- To check your version, click About Help: 
- Import Setoff process report now prints last name, first name order. This is not to be confused with Reports -Setoff Report which already prints in last name, first name order.
- Software has a three year signed code certificate so virus protection software allows. Versions prior to 2014.03a have a one year and expires in July 2014. This may cause the software to not function or require a manual override option.
- By July 1 we will provide an email with instructions on downloading the latest version. Call us if you need to immediately correct any of the above issues.

REMINDERS:

- Passwords in our software that provide the “behind the scenes” file transfers, the TRANSMIT menu options, have to be changed every 76 days. The password will expire in 90 days and requires the Clearinghouse to unlock. But there is a 14 day period when the local government can change it. Passwords in the 14 day warning period will not allow the transmit options. We usually contact local governments once the 14 day period begins in order for transmits to continue.

North Carolina Debt Setoff Program				
Sample Local Government				
Setoff Error Report for 03/18/2014				
Date: 6/13/2014				
SSN	UNIQUE NUMBER	SETOFF AMOUNT	ERROR	
	9456	324.43	Call Clearinghouse at 866-265-1668	1
	223	135.03	Call Clearinghouse at 866-265-1668	1
888-88-8111	9457	150.00	Current Debt not replaced by Import Setoff: 25.00	2
	Total Setoff	609.46		3

Tip: TRANSMIT-Import from Clearinghouse-Setoffs—Pay Attention to the Error Page

The first page is the error page and should show no errors and an error amount total of \$0.00. But if it does not, it could have one of two different types of errors shown below:

- 1) “Call Clearinghouse at 866-265-1668”. When this appears, note there is only a Unique Number and no SSN. This results when the setoff.txt file has a debt that it could not apply at the local government as it could not find BOTH the SSN and Unique ID Number. Often this signifies that a debt and/or debtor was deleted, rather than changed to \$0.00. Note: the funds were taken and have been deposited in your Capital Management account. Refer to the setoff excel file for the details associated with the debtor and debt.
- 2) “Current Debt not replaced by Import Setoff”. When this appears, note that there is an SSN and Unique Number as the debt was identified but the debt balance was NOT updated. In this example a partial setoff (did not completely pay off debt) occurred at the Clearinghouse and when checking the remaining balance at the local government, the local government balance was LOWER than this \$25.00 balance in the setoff process. This could signify that the debt was recently changed, probably paid in full, at the local government. This requires a manual review of the debtor and debt to ensure the balance is correct. Edit the debt if necessary as the process did not adjust the debt amount.
- 3) “Total Setoff” is the amount of all errors that are included in the deposit amount at Capital Management, but will not be shown in the ‘Total Setoff’ in the Setoff reports. Adding the Total Setoff amount, in this example \$609.46, to the amounts in the setoff reports will equal the balance deposited. To verify, open the setoff excel file. convert column “I” to numeric and sum for the total that is being deposited at Capital Management.