

2012 Debt Setoff Underway—Edition

Reminders:

- 4th Setoff File of 2012 was received Tuesday, March 20. Available to local governments Thursday, March 22
- Status of the next Setoff File: <http://www.ncsetoff.org/setoffstatus.htm>
- The 2012 Department of Revenue Setoff Schedule: <http://www.ncsetoff.org/DORCalendar.htm>
- Do NOT put an SSN in an email to us! We can find by the name or call us.
- Contact us if you don't receive your Import Status Email by the following Tuesday after uploading

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March 30, 2012

February/March 2012 is the Best Start Ever—\$19,429,410

The first four setoff files for 2012 is the best start for the N.C. Local Government Debt Setoff Clearinghouse.

1. **\$9.85M (Feb. 7)**
2. **\$5.35M (Feb. 21)**
3. **\$2.52M (Mar. 6)**
4. **\$1.71M (Mar. 20)**

- February and March 2011 amount: \$17,637,313.62
- Increase over same time in 2011: \$1.79M (+10%)
- The total setoff since beginning in 2002 is now \$148,484,640.58

We now have 385 local governments submitting debts.

- Counties: 98

- Municipalities: 261
- Joint Regional Agencies: 5
- Public Health Authorities: 6
- Sanitary Districts: 9
- Metropolitan Sewerage Districts: 1
- Water and Sewer Authorities: 7

There have been were 351 local governments that received funds from the first three setoff files:

- Counties: 95
- Municipalities: 230
- Joint Regional Agencies: 5
- Public Health Authorities: 6
- Sanitary Districts: 7

- Metropolitan Sewerage Districts: 1
- Water and Sewer Authorities: 7

Some Interesting Statistics:

- 114,143 debts have been setoff in 2012 which is already 71% of the setoffs for entire 2011
- The average amount setoff for 2012 is \$170.22
- The average amount of debt currently at the Department of Revenue is \$332.90
- Largest County debt setoff in 2012: \$3,802.32
- Largest Municipality debt setoff in 2012: \$3,192.00

Success Stories for 2012—Counties and County Agencies

The following 17 Counties and 7 County Agencies have already in 2011 surpassed their entire 2011 collections :

- Burke (+259%)
- Rutherford (+257%)
- Buncombe (+257%)
- Clay (+213%)
- Henderson (+171%)
- Jones (+147%)
- Cumberland (+145%)
- Davidson (+140%)
- Anson (+125%)
- Forsyth (+123%)
- Randolph (+116%)
- Dare (+109%)
- Polk (+104%)
- Guilford (+103%)
- Montgomery (+103%)
- Richmond (+102%)
- Sampson (+102%)
- Woodfin Water (+437%)
- Albemarle Reg. Health (+208%)
- Isothermal Plan./Dev. (+158%)
- Roanoke Rapids Sanitary (+126%)
- Broad River Water (+121%)
- Cabarrus Health Alliance (+116%)
- Martin-Tyrell-Washington Health (+115)

Seventeen municipalities collected funds for the 1st time ever or in years.

Number that increased by range:

1000%+: 1

500—999%: 8

250—499%: 8

100—249%: 40

90—99%: 21

80—89%: 25

70—79%: 21

60—69%: 28

50—59%: 18



Some of our callers are frustrated but only @ 2% are angry and disrespectful. Your rate is probably much higher!

Success Stories for 2012—Municipalities

The following 57 Municipalities have already in 2012 surpassed their entire 2011 collections:

- Ayden (+1042%)
- Clyde (+827%)
- Troy (+817%)
- Dunn (+773%)
- Burgaw (+753%)
- Elm City (+752%)
- Jamestown (663%)
- Wadesboro (+578%)
- High Shoals (+506%)
- Cramerton (+393%)
- Elizabethtown (+392%)
- Bostic (+368%)
- Haw River (+367%)
- Wingate (+362%)
- Ahoskie (+277%)
- Southern Pines (+268%)
- Wrightsville Bch (+251%)
- Kenly (+246%)
- Star (+245%)
- Tabor City (+237%)
- Henderson (+223%)
- Leland (+216%)
- Yanceyville (+181%)
- Morganton (+181%)
- Scotland Neck (+177%)
- Whitakers (+173%)
- Washington (+166%)
- Middlesex (+165%)
- Williamston (+164%)
- Farmville (+162%)
- Columbus (+156%)
- Boiling Springs (+150%)
- Manteo (+149%)
- Bethel (+146%)
- Tarboro (+146%)
- Wilmington (+146%)
- Maiden (+139%)
- Selma (+138%)
- Harrisburg (+138%)
- La Grange (+138%)
- Ranlo (+134%)
- Lilesville (+134%)
- Wake Forest (+132%)
- Chadbourn (+123%)
- Greensboro (+123%)
- Indian Trail (+122%)
- Concord (+119%)
- Boone (+115%)
- Jacksonville (+114%)
- Clayton (+113%)
- Reidsville (+111%)
- Burlington (+110%)
- Kings Mountain (+110%)
- Stanley (+109%)
- Enfield (+103%)
- Blowing Rock (+103%)
- Broadway (+102%)

Questions Debtors Want to Know

1. Does the Clearinghouse provide any information to credit bureaus? NO, we only provide information to the N.C. Department of Revenue who shares with the N.C. Lottery.
2. Do we take funds from their Federal Tax Refund? NO, not at this time but hope to in the future.
3. Does the Clearinghouse receive calls from debtors? YES, we receive numerous calls from debtors about “who took their money”! They find us through Internet search engines, the Department of Revenue refers them, as do some local governments.
4. Does the Clearinghouse mind if local governments give them the Clearinghouse’s phone number? NO, we are happy to assist them.
5. What do we tell them? We give them the local government contact info, account number and debt amount(s). And if provided, we tell them the type of debt and/or department. If we have received the funds we tell them the local government(s) we directed the funds to. We also tell them how much in fees were applied for the Clearinghouse and the Department of Revenue/Education Lottery.

Avoiding Disaster—One Instance

Over the years there have been a few “situations”. The way to ensure they don’t occur again is to tell what happened so the Clearinghouse and the local governments can learn from them. Fortunately none were true disasters but at the time they were stressful. The worst ones are those that affect the debtors and we take from their N.C. tax refund when we shouldn’t.

Software Version 2007—A few years ago we imported an excel file to replace all of this

particular local government’s debts. We did so and sent them an email with the before and after statistics and instructions what to do to apply the new database to their computer system. However, before receiving our email with instructions to download the NEW database, they uploaded their database, replacing ours. This restored their original debts which is not what they wanted. Part of our follow-up is to look at our logs and check to see if they downloaded the database. In this case we saw

they had downloaded it. But they were downloading the database they sent that overwrote ours. Another issue was that this was in early February, the major tax refund time frame. Result: several hundred debtors were setoff that shouldn’t have been over two setoff files.

What the local government could have done to prevent it? **Run the Summary Report and verify the totals against the email we provided.** This would’ve indicated a problem.

If using version 2007 of our software and send us a file to combine—print a Summary Report and verify the totals match our email!

Avoiding Disaster—Another Instance

Just this past December a local government sent us some excel files for a new department. This local government uses our 2007 version of the software. We combined the excel files at the Clearinghouse then sent an email with both before and after totals and instructions what to do.

The user at the local government got the email and did the 1st instruction: File-Receive Database from Clearinghouse

Technical Support. However, someone may have been in the software or another situation caused the database NOT to be downloaded.

This meant the new debts for the other department were not included. Once the first two setoff files of February were completed we received a call from a contact in the new department as to why they had not received any funds. We checked a few SSNs and when

they were not found we began investigating. Our log file showed the database was downloaded but we could not tell if it successfully overwrote the current database at the local government.

What the local government could have done to prevent it? **Run the Summary Report and verify the totals against the email we provided.** This would’ve indicated a problem.

The Clearinghouse now calls the local government and guides them and verifies the Summary Report with the email.

Avoiding Disaster—And Another Instance

We hate to talk so much about bad things that have happened in the past but if it can help other local governments avoid them it is worth it. Last one...

A local government that does not use our software but submits separate files for different departments.

Someone uploads a file during the week and specifies “PURGE AND RELOAD”.

So after 5:00 p.m. that Friday

we run a process to change all debts for the entire local government to \$0.00. Then on Saturday we process the uploaded file to load the debts.

PROBLEM: the other department has all of their debts now at \$0.00!

The Import Status Report the following Tuesday identified the new Debt Amount and the Difference. We noticed it and after researching realized what

had happened. We immediately contacted the local government to send the other department.

What the local government could have done to prevent it? **Specify “PURGE AND RELOAD DEPARTMENT XXX ONLY” in the Notes area.**

We have several local governments that request Purges for specific departments. Contact us to explain and set up.

Be careful with Purge and Reload requests. Be sure to identify specific departments. A Purge and Reload doesn’t delete the debt, it changes them to \$0.00

**The benefits of
an automatic
Purge and Re-
load setting:**

- 1) **No need to request in the Notes area**
- 2) **Get the Previous Debt Amount instead of a \$0.00**
- 3) **Can delete debts rather than changing to \$0.00**



**Got a question
or issue you
would like
explained in a
future
newsletter?
Send an email to
ncsetoff
@ncsetoff.org**

Purge and Reload—the Automatic Way

The following Counties, County Agencies and Municipalities are configured to automatically Purge and Reload ALL debts when a file has been uploaded:

Counties and County Agencies:

- Alexander
- Alleghany
- Ashe
- Beaufort
- Clay
- Cleveland
- Craven
- Gaston
- Guilford
- Johnston
- Lincoln
- Macon
- Martin
- Mecklenburg

- Metropolitan Sewerage-Buncombe
- Roanoke Rapids Sanitary
- Rowan
- Stokes
- Stokes Water & Sewer
- Union
- Vance
- Yadkin

Municipalities:

- Chapel Hill
- Charlotte-Revenue
- Charlotte/Mecklenburg Police
- Clayton
- Cramerton
- Durham
- Emerald Isle
- Fuquay-Varina
- Kannapolis

- Manteo
- Marvin
- Matthews
- New London
- Pembroke
- Pine Knoll Shores
- Reidsville
- Stanfield
- Wilkesboro
- Winterville

Special Request Purges for Specific Local Government Department:

- Orange: Tax
- Robeson: EMS or Tax
- Wake: Tax
- Wilkes: Tax
- Wilson: EMS or Tax
- City of Wilson: GLA

Great Recent Questions from Local Governments

1. Can a local government add their own fees to a debt, for example, for the cost of finding SSNs, doing letters, other preparation work in submitting debts to the Debt Setoff Clearinghouse? *NO, you cannot add any additional service or labor fees. Only interest and advertising costs for those debts that are interest accruable, such as taxes, can be added.*
2. Are there any upcoming Training or Workshops on Debt Setoff? *In September we host our annual free training workshops at six sites across the state. The schedule will be finalized by June and notifications will be sent to all along with online registration information and instructions.*
3. I submitted a name for a debtor but when I got my setoff information the name was different, how can that happen? *This is very common. We may have several names for an SSN.*
4. How did the Dept. of Revenue setoff a person when the last name and SSN didn't match? *The Dept. of Revenue has so many exceptions that require manual intervention and sometimes setoff someone they shouldn't.*

Tips for Submitting Debtors and Debts

After many years of submitting debts to the Department of Revenue here are some tips/suggestions that make it more likely to setoff refunds:

- Put the suffix with the Last Name, ex.:
 - Smith Sr or Smith Jr
 - Jones III or Jones IV
- Enter a Middle Initial—it helps identify common names
- Do not use single quotes in

Name or Address, ex:

- Use ONeal not O'Neal
 - Use Carsons Apartments not Carson's Apartments
 - Do not put "Estate of" or "C/O" in any name field
 - Do not use a Business Name or DBA, use the owner Last and First Name
- The following causes errors in processing data files:
- Commas, single quote or double quote in any field

- First name, middle initial, last name in wrong order
- Excel:
 - Do not hide columns OR rows
 - Do not Freeze pains
 - Do not have more than 1 line of header, data must start on row 2
 - Do not zip or put a password—files are encrypted as they are loaded

A Unique Department of Revenue Setoff Issue

After processing the first setoff file on February 7, 2012 and preparing for the second one to arrive February 21, 2012, we received notification from the Department of Revenue.

They informed us that 175 debtors were setoff between December 13 and December 31, 2011. Our last setoff file of 2011 was received December 13, 2011. These setoffs should've been in the February 7, 2012 setoff file. So we had to

combine them with the February 21 setoff file. Seventeen of these debtors had already been removed from our year-end process where we eliminate the debts that are \$0.00. When we added the debtors we noted "***DEC2011" in the account number in the excel file we provided.

In addition, we had to check all 175 debts and be sure we had not taken a fee in 2011 for this particular debt. If so, we re-

moved the \$15 fee and deposited the entire amount we received from the Department of Revenue into the local government Capital Management Trust account.

Please contact us if you have any questions as we can identify these debtors and debts and explain.

Hopefully we won't have this happen again. It is the first time in the eleven years.

Excel/ASCII Users—an incorrect layout may delay your file from being imported over the weekend. Files are encrypted so do NOT Zip!

Did you notice some debtors were in the February 21, 2012 file that contacted you in late December?

Emails—are you receiving them?

In some cases we get information telling us that our attempt to send email was rejected. However, often we do not receive any notification of rejections.

We do send email to hundreds of email addresses at a time so some email systems may treat us as spam or junk. We recommend you check your Spam and Junk folders for emails from us. In addition, discuss with your I.T. staff.

We also have difficulties sending to @bellsouth.net email addresses.

The email addresses we use to send emails in bulk:

ncsetoff@ncsetoff.org
customerservice@ncsetoff.org

Another Question from a Local Government:

Is it okay for the local government to contact the Department of Revenue Debt Setoff staff directly? *NO, call us and we'll conference in with our contacts at the Department of Revenue. They appreciate us not giving their direct phone numbers since we have over 400 local government setoff debt coordinators.*

Check your Spam and/or Junk folders for emails from us if you suspect you aren't receiving emails from the Clearinghouse

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 (NCCMT)
(800) 222-3232

Client Software Version 2011/2012 Setoff Information

Reminders:

- **Download Error Report, Surplus.xlsx**—no need to sign on to website—use Transmit -Import from Clearinghouse-Selective
- **Don't Delete**—change to **Zero**—wait until mid/late December to delete
- **Choose a Department when Printing Letters**
- **Mark Letters as Printed when finished printing letters**

We are ready to continue upgrading users to our new Client Software. The priority list:

- Current users of the older version: 2007—all need to be converted in 2012. Do not plan to support in 2013. If don't have the hardware and software capabilities Excel is an alternative
Still Need to be converted: 111 — Counties: 16; County Agencies: 3; Municipalities: 92
- Current ASCII or Excel Users

If your local government is ready and has not submitted your official request for the software, please go to <http://www.ncsetoff.org/SoftwareUpgradeRequest.htm>

Fixes/enhancements for Summer version: 2012.06

- Interest Accrual report not printing
- Audit Report to select Add and/or Edited date selection
- Detailed error report for Import
- Export an Excel file of all debts or for a specific setoff date or range of setoff dates
- Export an ASCII file of all debts or for a specific setoff date or range of setoff dates

Enhancements for September version: 2012.09

- Maintain names, departments, titles, email addresses for all users and the various email distribution lists and ability to upload to Clearinghouse
- Additional Audit trail reports
- Modifications to Setoff Address report to identify department and account number
- Ability to apply Setoff Address changes by department
- Expiration Date defaults by department—number of years past date of entry
- Year-end Cleanup by Department
- Sum Debt Amount by Account Number and Department for a debtor
- System Settings for each Account Code rather than one shared
- Windows Authentication rather than SQL/Windows Mixed Mode

Got a suggestion for a fix or enhancement? Call or email with the details and we'll contact you to discuss.