

Winter 2012: Year-End/New Year Edition

Volume 2: Issue 7

November 8, 2012

Reminders

- Submit your online 2013 Participation Form NOW
- Submit your online Names, Departments and Email Addresses for the email Notification list selections NOW
- A Capital Management Trust 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 Issues —What, When, Why?

November and December is a great time to review existing debts and also submit new debts for 2013. 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 estimated last day to send letters and still ensure debts are ready for the beginning of the new tax year is Friday, December 11, 2012. The Department of Revenue will begin processing refunds around Monday January 14, 2013. We suggest the notification letters be sent as soon as possible.

Do you have a file of additional debtors to add or replace your existing debts? Contact us as soon as possible, we have been

doing several imports a day!

If you need help generating your letters, we can help. If you have an Excel file or 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 generate letters and even a pdf file to save as proof they were sent.

If you don't send updated debt files to us often, at least send us your debts file between December 15 and December 30 so we can have the most current debt amounts to start the new tax year. If you use version 2007, click the SEND DATA option; version 2011, click TRANSMIT-EXPORT to CLEARINGHOUSE -Debtor Information. ASCII/Excel users should submit an

entire file and request a Purge and Reload, if possible.

What the Clearinghouse will do before sending the first file of 2013 to the Department of Revenue and Education Lottery:

- Delete all debts less than \$50
- Delete all Expired debts

So priority on all of the above debts are lost.

What are the benefits of the above? Less calls to local governments from debtors since deleted debts will not provide information to debtors calling. Our Interactive Voice Response (IVR) system references all debts for an SSN, regardless of the amount, even \$0.00. The only time we delete \$0.00 debts is at the beginning of the tax year.

Reminders—By December 28, 2012 but Don't Delay

- Complete your required annual participation form: . Only one form needed for the entire local government.
- Print, sign and mail in a signed original. If you submit BEFORE printing you will have to re-do the form. DO NOT FAX! Form must be received by December 28 or existing debts will NOT be submitted in 2013 until signed form is received. Be sure to have an official, like County Manager, Town Manager/Clerk or Agency head sign the form.
- Check the status of your signed original form and look for a (2013) notation.
- If you DO NOT use our 2011 or 2012 client software, complete your Names, Department and Email list form to list up to 10 people to receive four different types of emails.

Note; our newest version, 2012.11 of our client software, lets you set up in the software. We will remove any current email addresses not listed on the form. Be sure any I.T. staff and vendors are included.

DON'T WAIT—SUBMIT THESE ASAP!



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 when submitting debts!



Expired Debts—can possibly be extended. If not, they may as well be deleted as they will never be set-off.

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.
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 retention regulations.

7. Save a manifest list, electronic is recommended, such as a pdf, 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—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 not sent to the Department of Revenue/Lottery until that day passes.

FAQs:

1. Can debts be sent to the Clearinghouse BEFORE letters have been sent? We

recommend the letters be sent first and the Compliance Date be at least 30 days away. For example: 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.

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 the 2012 Post-Workshop newsletter. You may be able to change some or all Expiration Dates. Contact us if you still have questions.

Year-end Clean-up—Expired Debts—Available November 9

The Clearinghouse will send email notifications with instructions and place an Excel file in secure folders for ONLY those local governments with debts not \$0.00 that are already expired or expiring by January 1, 2013.

The Department associated with the debt is provided which will allow for sorting and distribution. If the debts can be extended then do so. Our 2011/2012 software has a sim-

ple but powerful way to globally update Expiration dates. Contact us if we can assist you. Otherwise we suggest you remove these Expired debts.

We will delete all expired debts around the 1st week of January 2013 which also removes the priority date. However, if you do not change in your ASCII/Excel files or software you will be restoring these Expired debts and with no chance to setoff.

If unsure whether any expired debts can be extended due to Statute of Limitations issues, refer to our 2012 Post-Workshop newsletter.

Be sure to download and save your Expired Debts excel file ASAP. It will be automatically removed after 10 days. Contact us if we need to restore and/or if you have questions.

Year-end Clean-up —Rejected Debtors—Invalid SSN/Name

On Friday, November 16, the Clearinghouse plans on sending email notifications with instructions and placing an Excel file in secure folders for ONLY those local governments with debtors/debts that were rejected by the N.C. Department of Revenue during 2012.

Nearly 4,000 Names/SSNs were returned to the Clearinghouse at various intervals during 2012. It may be a business name with an SSN when it must be the individual's first and last name. Other times it is

just a typo or transposed digits. But like a phone number, it must be exact in order to have a chance to be setoff.

Unless corrected these debts will never be setoff. We suggest you check the SSN and Name against any records you may have and/or review via a Social Security lookup/verification service.

If you cannot find the corrected SSN and/or First/Last names, we suggest you change the debt(s) associated with these debtors to \$0.00 and

send to us before the end of December.

Those rejected debtors that are not corrected or changed to \$0.00 may affect another local government. This is due to the fact that we roll up all debts and submit under the first SSN and Name ever received. If SSN and/or Name is incorrect and rejected no local government receives funds.

Be sure to download and save your Rejected Excel file. It will be automatically removed after 10 days.



The Department of Revenue matches against the entire SSN and first four characters of the last name in order to verify it is the correct person.

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



User upgrading to version 2012.11 of our software can create their own Excel files!

Interactive Voice Response (IVR) - be sure you're ready for 2013

The IVR is a dedicated computer system with 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(s).

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 2011/2012

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 28. 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 2011/2012 Update

New Version (2012.11) will be available Tuesday, November 13, 2012

- As demonstrated at the 2012 Training Workshops, the release is now in the final testing stages. The instructions for installing are now being generated and will be emailed to all current users on Tuesday, November 13. In addition the online help system and pdf are being updated to match the software. The website links for these two types of documentation/instruction manuals will be provided in the email on the 13th.
- All users of the software should upgrade to the latest version. Please forward the email instructions to your I.T. staff if they will be performing the upgrade and/or to the other users, as we may not have email addresses for all users.
- There is also an upgrade to the pdf creator. The newer version works with all workstation operating systems: XP, Windows 7 (32 and 64-bit). Some windows 7 64-bit users may have seen the words "Demo version" in your pdf file, this will correct it. This new pdf creator requires the uninstall of the previous pdf creator before installation of this newer version. If you do not have I.T. staff and do not want to attempt the Control Panel—Install a Program contact the Clearinghouse so we can connect remotely and do this for you. Note: only required to be completed before a pdf file is created, such as the Notification Letters. An error will occur if a pdf is attempted with the version 2012.11 and the old pdf creator.

Highlights of New Features:

- Create an Excel Export file with several selections: all debtors, all account codes/ departments, dates, setoff and by User
- Maintain all User info: Names, Titles, Department, Email address and desired email distribution notifications
- Set a default number of years for Expiration dates based on account code/department
- All reports allow selection of account code/department and display larger on screen

Reminders:

- Please 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. You can cause severe damage unless done exactly. Let us assist as we've done it a hundred times.

Year-end Instructions:

- Following the final setoff file of the year, December 11, it is recommended you do your own cleanup, starting around December 14. Call us for questions or assistance.
- Do one or more of these and then Transmit-Export to Clearinghouse-debtor Information by Dec. 28
 1. Delete all debts = \$0.00 (whether setoff or not)
 2. Delete all debts = \$0.00 not setoff (suggested at a minimum)
 3. Delete all debts less than \$50.00 (whether setoff or not)
 4. Delete all debts less than \$50.00 not setoff
 5. Delete all Expired Debts
 6. Delete all Expired Debts = \$0.00
 7. Delete all Expired Debts less than \$50.00
- Only the Administrator can execute the above Year-end clean-up options