

# Fall 2011—Post-Workshop Edition

Volume 1, Issue 1

October 10, 2011

## Reminders

- Submit your online 2012 Participation Form NOW
- Submit your online Names, Email Addresses and Notification list selections NOW
- Send Notification letters to new debtors if 60 days delinquent
- Clean-up your data for the new year
- Request an excel file of all of your debts
- Call the Interactive Voice Response (IVR) and listen to the pronunciations and info

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## Six Training Workshops Completed in September

Four hundred forty-three local government employees attended the annual September workshops:

- Hendersonville (52)
- Hickory (84)
- Albemarle (74)
- Raleigh (109)
- Wallace (38)
- Washington (86)

### Presenters:

- N.C. League of Municipalities: Rob Shepherd & Wanda Veasey
- N.C. Association of County Commissioners: Lisa Nolen
- N.C. Dept. of Revenue: Cindy Honeycutt & Bill Wilkes

- Five Star: Bill Walsh

Two sessions:

- 10:30—11:30: new attendees, new responsibilities or those needing a refresher course
- 1:00—3:00: all attendees

Forty different Housing Authorities attended to learn about participating due to legislation effective October 1, 2011 allowing them to join the Local Government Debt Setoff Clearinghouse. The difference for the housing authorities is the requirement that only debts that have been determined to be final judgments are eligible.

The next training workshops will be in September 2012. Dates and locations will be set by June 2012. However, if you need to set-up a conference call to discuss any issue please call

us toll-free at (866) 265-1668. Also let us know if you want us to send you PDFs of the 2011 Training Workshops.

Changes implemented in 2011:

- Unique Keys can now be 8-20 characters, ASCII or Excel
- Excel files— we no longer create .xls, only .xlsx
- Interactive Voice Response can handle multiple contacts by department
- Surplus spreadsheet created for each debtor where more setoff than owe

Thanks to those who attended this year. We like to have you come each year. We try to cover the changes, recent and upcoming items of interest. If you have any comments or suggestions please send an email to [ncsetoff@ncsetoff.org](mailto:ncsetoff@ncsetoff.org)

## Recap of Important Workshop Agenda Items

- Federal Income Tax—sadly, there is no update to this highly anticipated method of collecting more delinquent debts. We will inform everyone if there is ever an update.
- Collection against Businesses—the Dept of Revenue hopes to address this

after conversion to their new computer system in late 2012. Plans are to accept an Employer Identification Number (EIN) rather than a m SSN.

- Obtaining SSNs— the Clearinghouse hopes to have in 2012 a recommended vendor solution in order to obtain SSNs.

There are various vendors, at various costs, that are available for acquiring this important and required information.

- Red Flag Rules—apply if your local government establishes credit by providing a service where customers make payments, such as utilities.



**10 Years for  
Taxes?  
3 Years for all  
others?  
Maybe,  
maybe not!**

**If funds are  
requested from  
the Department  
of Revenue the  
local  
government  
must do so  
within 30 days  
or be subject to  
paying Interest**



**Rejected Social  
Security Num-  
bers /Names and  
Expired Debts  
will never be set-  
off unless  
corrected**

## Statute of Limitations (Debt Expiration Date)

This topic is one of the most difficult in providing exact guidance. There are differing opinions in terms of county and municipal attorneys.

There are some local government attorneys that feel that the Statutes of Limitations do not to state government but not to local governments. Some agree with a 1996 N. C. Attorney General opinion that the Statutes do not apply to local government debts under the Debt Setoff program. The link to the ruling is: [http://](http://www.ncdoj.gov/About-DOJ/Legal-Services/Legal-Opinions/Opinions/270.aspx)

[www.ncdoj.gov/About-DOJ/Legal-Services/Legal-Opinions/Opinions/270.aspx](http://www.ncdoj.gov/About-DOJ/Legal-Services/Legal-Opinions/Opinions/270.aspx).

Other attorneys have opinions that if the debtor does not appeal within 30 days after receiving the required notification letter then the debt does not expire. But if appealed within 30 days then the statute applies—10 years for taxes and 3 years for any other type of debt— thus the debt cannot be submitted to the Clearinghouse.

Both the N.C. Association of

County Commissioners and the League of Municipalities advise you to consult your attorney and be sure they feel comfortable defending their opinion of the Expiration Dates being submitted by your local government.

If it is determined that some of your existing debts can be extended, the Expiration Dates may need to be modified and re-submitted. Let us know if we can assist as we may be able to modify these dates programmatically or with our software.

## N.C. Department of Revenue (NCDOR) Report

The Department of Revenue sent a representative to all of the workshops and gave a presentation. Cindy Honeycutt attended all workshops and Bill Wilkes the first three. Some highlights:

- Creation of a new special division called the Local Government Division handling more than 160 debt setoff groups, with the Local Government Clearinghouse being the

largest.

- Remember to enter accurate Social Security Numbers and Names. The match is on SSN and first four characters of last name. Any discrepancy requires manual review which can slow down the setoff for those persons or even miss it entirely.
- Refund Requests— if requested that a local gov-

ernment return funds the NCDOR cannot disclose the reason(s) due to privacy issues. Return the funds within 30 days or interest may be required.

- Plans to convert to a new computer system in last half of 2012. Once done, they intend to do SSN/ name check of all debtors submitted PRIOR to the new tax year in order to allow for review/update.

## Year-end Clean-up Time Approaching

The Clearinghouse will be sending emails in October for various reminders with instructions for various cleanup issues:

- Rejected SSNs—around November 1 an excel file will be placed in the secure folders containing all debtor SSNs and Names that were identified as rejected by NCDOR. Unless corrected they will never be setoff. We cannot provide the accurate

SSN an/or Name due to privacy issues.

- Expired Debts—around November 15 an excel file will be placed in the secure folders containing debts that have passed their Expiration Date. If the debts can be extended then do so, otherwise remove from your software or ASCII/Excel files. We will delete all expired debts the 1st week of

January 2012.

- Client Software Users (version 2011) can delete debts that are: \$0.00, < \$50.00 and/or Expired
- Client Software Users (version 2007) may request a cleanup of \$0.00, < \$50.00 and Expired. This clean-up can be done once converted to the new software

## ASCII and Excel Participants—Purge and Reload Q&A

### 1) What is Purge and Reload?

It is a format of submitting a file and ensuring that the file contains only debts the local government wants to submit. It overwrites all prior debts.

### 2) What are the benefits?

The local government can manage one file that contains ALL of the debts for the Debt Setoff program. Don't have to send \$0.00 balances, can delete those debts no longer want in the setoff file.

### 3) How to request a Purge and

### Reload?

Best method: put a comment in the Notes area of the Upload file process.

Other method: Send an email request to:

[ncsetoff@ncsetoff.org](mailto:ncsetoff@ncsetoff.org)

### 4) Is there a way to automatically have Purge and Reloads done each time a file is sent?

Yes, send an email requesting the Auto Purge and Reload setting and then there is no need to put a comment in the

Notes area of the Upload file process.

### 5) What happens during the Purge and reload process?

The Clearinghouse first changes all debts for the local government to \$0.00, then loads the new file.

### 6) Is there any way to verify the Purge and Reload was completed properly?

The Import Status report will show \$0.00 for the Previous Debt Amount and the new Current Debt Amount.

Previous Debt Amount: \$0.00

Current Debt Amount: \$324,981.00

Net Amount: \$324,981.00

Above is a Sample Email Import Status Report after a Purge and Reload

## 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](mailto:ncsetoff@ncsetoff.org)



**Best method for verifying the Clearinghouse has only the debts you desire**

## Interactive Voice Response (IVR)

The IVR is a dedicated computer system and 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(s) against their SSN. If no information is given for the SSN it could be a spouse that has debt(s).

- We did a mass cleanup

(more than 500,000 debts) in January 2011 that reduced the number of calls from debtors who had outstanding debts in the past.

- Reminder—call the IVR at (877) 843-0330 and listen to the pronunciations and correctness of your information. If you made changes on your 2012 Participation Form, please wait about ten business

days as we will be processing over 400 over the next few months. All will be done by January 1, 2012

- If you would like more than one contact and phone number we can set them up for each department. You will need to specify a department in our new client software, positions 137-139 (ASCII) or Column O (Excel).



**Remember to call and check the IVR for pronunciation and information 10 days after you request an update. 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](mailto: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](mailto: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](mailto: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 Update

### Reminders:

- After entering new debtors and printing notification letters be sure to “Mark as Printed” so can print only new or updated debtors the next time
- We can assist you in printing your letters and saving a pdf version
- Users of version 2007 need to upgrade to the new software by fall 2012
- Online help: <http://www.ncsetoff.org/ApplicationHelp.htm>

### Upgrade Status:

- Number of Local Governments Converted: 112
- Number of Local Governments Requested/Awaiting: 76
- Number of Local Governments Not Yet Requested: 165

### New Version Now Available (2011.06):

- Fixes an error/bug when adding a debtor and debt. It was not saving the Expiration Date if changed. You will have to correct manually or globally through the Tools-Change Expiration Date
- Each user should upgrade to the latest version, contact us if you do not receive an email with the instructions by Friday, October 7. But we can do it for you if you have a problem or just don't feel comfortable attempting
- It must be done for all workstation/users of the software! Please forward the installation instructions to other users of the 2011 software

### Changes for Future Version (2012):

- Manage all Names, email addresses and email notification groups
- Maintain all setoff history, back to 2002 or when started
- Allow for Comments on debtors

## Clearinghouse Adds Two New Employees in past year

The Clearinghouse added two additional employees to the customer services area.

Fran McClary started in November 2010. She serves as the primary backup for Bill Walsh, Operations Director and is the primary person for:

- installation and upgrading the new client software for municipalities and county workstations.
- conversion of existing data, set-up of users and departments

- notification letter generation, including PDFs.
- importing of vendors and/or departmental data
- Training for importing setoff file

Brandon Walsh started in May 2011. He serves as the primary person for:

- inquiry on debtors previously setoff.
- monitoring the upload/download logs, ensuring

that local governments download their setoff files and sends email reminders.

- manages all of the data entry, currently 18 local governments.
- creates requested excel files
- updates the contact info from the Participation Forms and Email/names form