

Disclaimer

- We recommend not printing this before October 9
- Some of the following slides may be changed or even removed before first workshop on October 14 to fit in the allowed timeframe of 2.5 hours
- Additional slides may be added prior to the workshops
- Some slides may appear in the actual presentation that are not in this document for security reasons – as presentations and pdfs are posted on the website

Date of this version – October 2, 2025

2025 Debt Setoff Training Workshops (25th Year)

Western – Week #1

Oct. 14

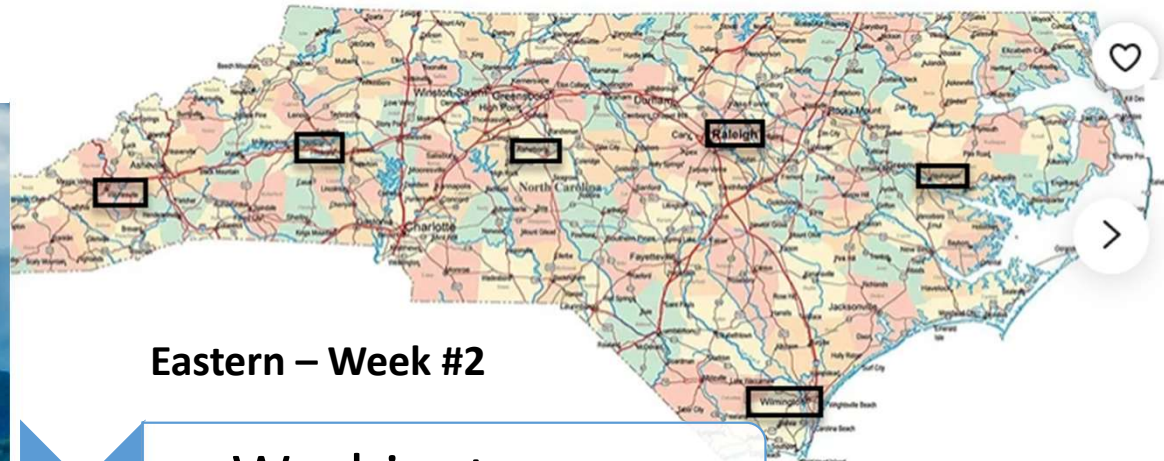
- Waynesville

Oct. 15

- Hickory

Oct. 16

- Asheboro



Eastern – Week #2

Oct. 28

- Washington

Oct. 29

- Wilmington

Oct. 30

- Raleigh



Presenters

- **NC Association of County Commissioners**
 - Matt Bigelow
- **NC Debt Setoff Clearinghouse**
 - Bill Walsh
 - Alex Smith

2025 Debt Setoff Training Workshops (25th Year)

Tentative Schedule

- ☐ 9:30 – 10:50 a.m.
- ☐ 10:50 – 11:00 a.m. (Break)
- ☐ 11:00 – 11:50
- ☐ 11:50 – noon (Questions)

Will not go beyond 12:00 – but will stay for questions/conversation



Virtual Version of Today's Workshop

- Online meeting for counties, agencies, municipalities, housing authorities and vendors
 - Wednesday, November 5, 2025: 9:30 – 11:30 a.m.
 - Requires online registration

<https://form.jotform.com/252386044788973>

Excluded From Today's Agenda

- Client Software
 - Special 1 ½ hour online meeting for counties, agencies, municipalities and housing authorities
 - Wednesday, November 12: 10:00 – 11:30 a.m.
 - Requires online registration

<https://form.jotform.com/252386044788973>

New Participants

- **No Longer a Separate Workshop Session:**

- Did for nearly 20 years – very few new municipalities, agencies and Housing Authorities remain

- New Participant Checklist:

<http://www.ncsetoff.org/NewParticipantChecklist.pdf>

- Audio workshops on <http://www.ncsetoff.org/Training.htm>

2) New Participants - Startup (audio presentation 18:11 - 11/9/2020)

3) New Participants - Technical (audio presentation 18:50 - 11/9/2020)

5) Due Process (audio presentation 6:30 - 11/16/2020)

5) Statute of Limitations (audio presentation 6:34 - 11/16/2020)

7) Social Security Numbers (audio presentation 5:08 - 11/16/2020)

Training Workshop Purpose

- Once a year opportunity for both new and returning users of debt setoff
 - Discuss security
 - Reiterate hearings, laws, regulations and requirements
 - Preparing for 2025 year-end
 - Preparing for upcoming 2026 tax year

Focus



HEARINGS

Hearing Officer
Procedures
Requirements
Tips

Focus



DUE PROCESS

Rules
Requirements
Retention

Focus



DEBTS/DEBTORS

Fees

Issues

Requirements

Priority

Statute of Limitations

Focus



SETOFFS

Calendar

Process

Requirements

Surplus

Focus



YEAR-END

Participation Form for 2026

Expired Debts

Close Current Year

Prepare for New Year

Focus



RECONCILING

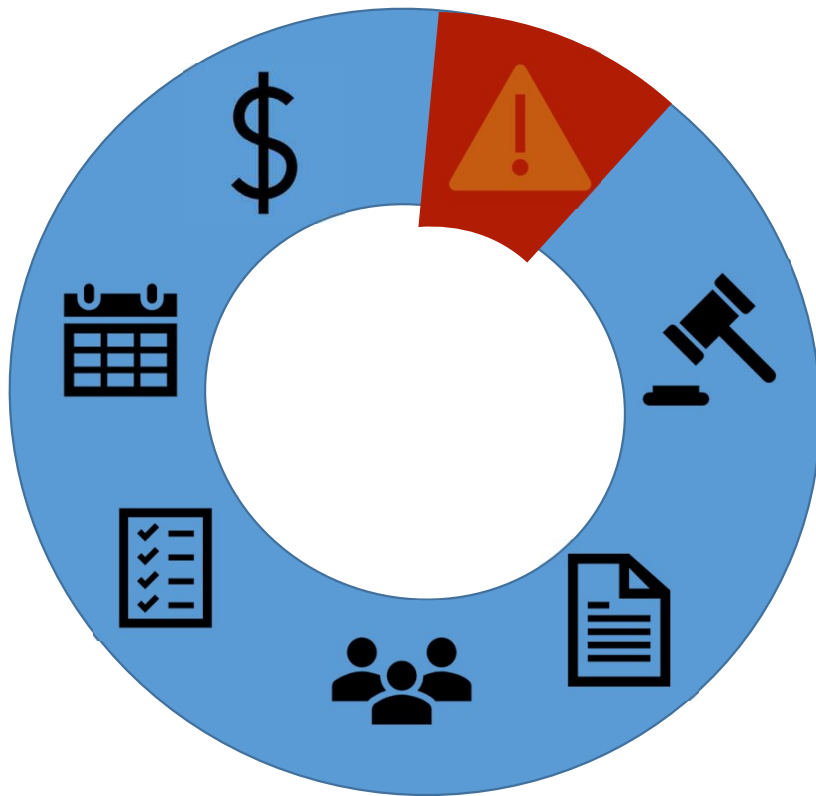
Adjustments

Deposits

Emails

Interactive Voice Response

Focus



AVOIDING DISASTER

Backups

File Submission

Refunds from Dept of Revenue

Training Workshop Purpose

Explain any Major
Announcements



**SOUTH CAROLINA
ASSOCIATION OF COUNTIES**

SC Association of Counties

- Clearinghouse changes since last year's workshop:
 - Updated branding
 - Enhanced website (in progress)
 - Improved online forms for Participation Form, Workshop Registration, Contact Us and Client software requests using JotForm
 - 2026 Participation form in a single form – no separate electronic signature required
 - New client software update coming



Monday – Thursday:
9:00 a.m. – 5:00 p.m.

Friday: 9:00 a.m. – 1:00 p.m.

Hearings – Basics (1 of 3)

- **Hearing Officer:**

- Is rarely needed (most debtors do not receive and/or respond to letter)
- Is required to be identified on the annual participation form
- Can be the Debt Setoff Coordinator but an Attorney is recommended
- Should be known to each participating department

Hearing Officer and Title/Position:



Hearings – Basics (2 of 3)

- **Hearing Officer:**

- Must be Impartial
- Knows the Procedures
- Authority to compromise the debt
- No conflict
- Should not research the debtor or the debt
- Consider only evidence presented at the hearing to render decision
- Provide written decision to all parties



Hearings – Basics (3 of 3)

Hearing – Audio Presentation:

- <http://www.ncsetoff.org/Training.htm>

4) Hearings (audio presentation 6:49 - 11/16/2020)

Due Process (1 of 6)

- **Letters:**

- Must be sent to last known address
 - Even if know letter will be returned
 - Should forward to new address if obtained (creates new 30 day appeal period)
- Does not have to be sent certified
- Do NOT send BEFORE 60 days delinquent



Due Process (2 of 6)

- **Letters:**

- Only have to be sent ONCE

- Regardless of time debt remains in for collection
 - Amount can change, due to interest/fees
 - If send again, or include with new debt, debtor may believe they have new appeal period



Due Process (3 of 6)

- **Letters:**
 - Letterhead/envelope
 - Must be of local government's, not third-party
 - Contact information must be local government's
 - Local government can refer callers to third-party
 - Spanish version not required



Due Process (4 of 6)

- **Letters:**
 - Retain a copy of the letter for future proof (for as long as the debt is being submitted (even if using a vendor))
 - Pdf recommended and save to external media and save according to retention records (debtors may ask/demand proof once setoff)

Due Process (5 of 6)

- **Letters:**

- The Clearinghouse does NOT retain a copy of the due process letter, even if using our client software!
 - Generated pdf resides on the local government computer
- Local governments are responsible for the proof of due process!



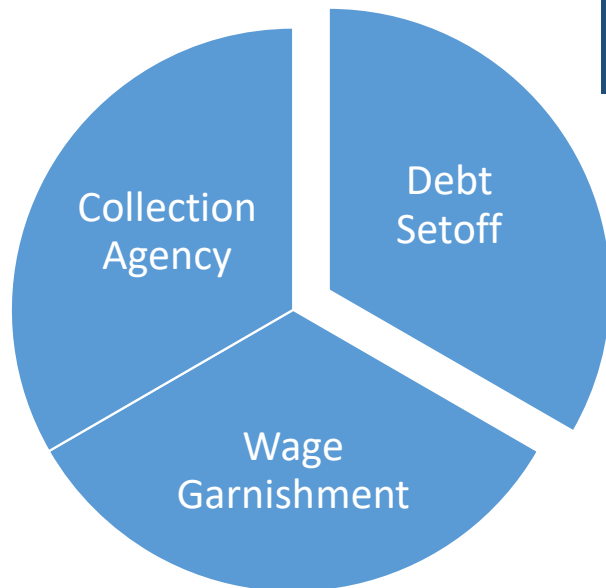
Due Process (6 of 6)

- **Due Process – Audio Presentation:**
 - <http://www.ncsetoff.org/Training.htm>

5) Due Process (audio presentation 6:30 - 11/16/2020)

Methods of Collection (1 of 1)

Can do multiples, even simultaneously. Be sure to modify balances in other methods if collect in any one.



Clearinghouse does NOT send information to any credit reporting entities.

Clearinghouse ONLY makes debts available for secure access by the NC Department of Revenue who then shares with NC Education Lottery every other Thursday.

Department of Revenue - Requirements (1 of 1)



- **The accuracy of the data (debtor and debt) submitted to Department of Revenue is critical for the possibility of being setoff**

- SSN (critical)

Entire 9 digits and first four of Last Name must match – otherwise requires manual intervention to be setoff.

- Last Name (critical)

Cannot be blank – Suffix (Jr, Sr, III, etc.) also helps

- First Name (important)

Cannot be blank – Middle initial optional

Cannot collect on a business name, even though the law allows (ONE EXCEPTION – another local government previously submitted same SSN with Last and First Name)
No Drivers License Numbers nor Business IDs will be setoff !

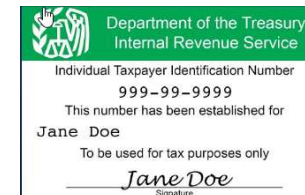
Debtors (1 of 2)

- **Only methods for collection:**

- 1) Social Security Numbers




- 2) Individual Tax Identification Numbers (ITINs)



- Start with 9 and second section range of 70 – 88
- i.e.: 9xx-70-xxxx or 9xx-88-xxxx
 - Currently 3,170 ITINS setoff since 2017 for \$455,548

Can't submit for owners in corporation, only individual owner against their SSN, not business ID number

Debtors (2 of 2)

- **Acquiring Social Security Numbers (SSNs):**
 - Clearinghouse cannot assist in acquisition
 - Vendors available for acquisition (contact us for recommendations) **SSN Lookup and Verification Services** 
 - Many local governments, especially counties, have contracts (check with Finance, Tax, Police)

Local governments are allowed to acquire/contract to obtain SSNs.

Debts (1 of 21)

DEBT



Debts (2 of 21)

Any type of debt

DEBT



Debts (3 of 21)

DEBT



At Least 60 Days
Delinquent



Debts (4 of 21)

DEBT



Must Be an Individual's
Debt - not a
corporation



Debts (5 of 21)

DEBT



Must Be \$50 or more



Debts (6 of 21)

- **Debt Requirements:**

- Debts \$50 or more need to be submitted separately
- Debts can be combined to meet the \$50
 - Should not combine tax debts with non-tax debts, especially if accruing interest
 - Clearinghouse DOES NOT combine debts, all debts stand alone!

Over \$50 if
combined -
\$50.94

| Original Amount | Debt Amount | Setoff Amt | Setoff Date | Code | Account Number | Expiration Date | Compliance Date |
|-----------------|-------------|------------|-------------|------|----------------|-----------------|-----------------|
| 96.04 | 5.94 | 90.10 | 09/23/2025 | HLT | 8965228 | 06/15/2031 | 06/15/2021 |
| 45.00 | 45.00 | 0.00 | | HLT | 8965228-24 | 10/04/2027 | 10/04/2024 |

Will not go to
Dept. of
Revenue
unless
combined

Debts (7 of 21)

- **Debt Requirements:**

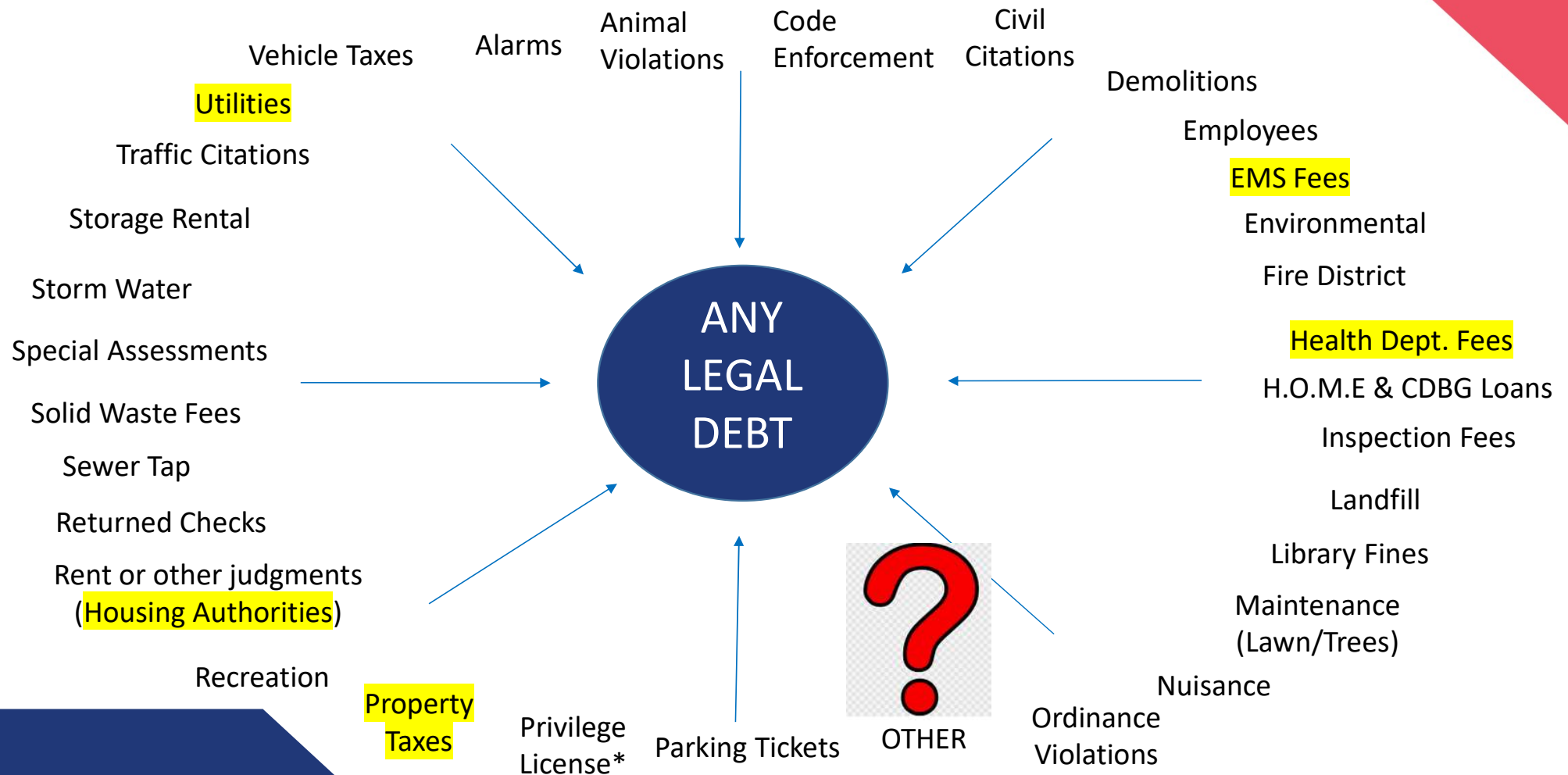
- Debts \$50 or more need to be submitted separately
- Debts can be combined to meet the \$50
 - Should not combine tax debts with non-tax debts, if accruing interest
 - Clearinghouse DOES NOT combine debts, all debts stand alone!

Combined
and made
stand out
with **

| Original Amount | Debt Amount | Setoff Amt | Setoff Date | Code | Account Number | Expiration Date | Compliance Date |
|-----------------|-------------|------------|-------------|------|----------------|-----------------|-----------------|
| 96.04 | 50.94 | 90.10 | 09/23/2025 | HLT | 8965228 ** | 06/15/2031 | 06/15/2021 |

Will go to
Dept. of
Revenue since
combined

Debts (8 of 21)



Debts (9 of 21)

- **Debt Characteristics** (required for each debt):
 - **Compliance Date (Start)** – date local government certifies that due process letter generated/sent and at least 30 days passed
 - **Expiration Date (End)** – date local government chooses to cease the attempt to collect for this debt in the debt setoff program

Debts (10 of 21)

- **Statute of Limitations:**

- Clearinghouse requires that debts submitted to the debt setoff program adhere to the following:

- When the due process letters are generated and sent, there is some type of proven activity (invoice/bill, payment) within 3 years for non-tax debts and 10 years for tax debts

- If so, debt does not have to expire



- Local government has discretion to be more restrictive and choose not to submit debts as far back or keep in for as long

Debts (11 of 21)

- **Statute of Limitations – Audio Presentation:**
 - <http://www.ncsetoff.org/Training.htm>

6) Statute of Limitations (audio presentation 6:34 - 11/16/2020)

Debts (12 of 21)

- Criteria for Sending Weekly to Dept. of Revenue

Debts (12 of 21)

- Criteria for Sending Weekly to Dept. of Revenue



Debts (12 of 21)

- Criteria for Sending Weekly to Dept. of Revenue



Amount

Minimum of
\$50



**Compliance
Date**

Must have
passed

Debts (12 of 21)

- Criteria for Sending Weekly to Dept. of Revenue



Amount

Minimum of
\$50



**Compliance
Date**

Must have
passed



**Expiration
Date**

Must NOT have
passed

Debts (13 of 21)

- **Fees:**
 - Clearinghouse adds \$15 to EACH debt BEFORE sending weekly to the Dept. of Revenue (who forwards every two weeks to Education Lottery)
 - Once a \$15 fee has been taken in a calendar year, no additional fee is added (reset to \$15 next year)
 - DOR and Lottery legislated to take \$5 for EACH setoff
 - Local governments cannot add their own collection fee!

Debts (14 of 21)

- **Priority:**

- New debts (by SSN/ITIN and Unique Id) are marked with date and time
- Existing debts retain their priority order
 - Debts below \$50 and/or expired are deleted at year-end, losing priority

| Entity Name | Account Number | Original Amount | Current Amount | Setoff Amount | Fee Amount | Balance After Setoff | Debt | Compliance Date | Expiration Date | Load Date |
|--------------------|----------------|-----------------|----------------|---------------|------------|----------------------|------|-----------------|-----------------|-----------|
| County | E14-310518 | 560.00 | 0.00 | 560.00 | 15.00 | 0.00 | EMM | 01/01/2015 | 12/31/2025 | 01072015 |
| Number of Debts: 1 | | 560.00 | 0.00 | 560.00 | 15.00 | | | | | |
| County | 348 | 544.61 | 249.55 | 360.04 | 15.00 | 249.55 | DNT | 08/21/2015 | 08/01/2035 | 02042016 |
| Number of Debts: 1 | | 544.61 | 249.55 | 360.04 | 15.00 | | | | | |
| Number of Debts: 2 | | 1,104.61 | 249.55 | 920.04 | 30.00 | | | | | |

Debts (15 of 21)

Details for Debts at Dept. of Revenue and Lottery:

- Each SSN/ITIN sent with one combined debt amount, including fees
 - ONLY ONE First Name, Middle Initial, Address and Debt Amount (no local govt. info provided)
 - Clearinghouse uses oldest CURRENT submission of the Full Name with SSN/ITIN
 - May not be the correct Name with this SSN/ITIN
 - Dept. of Revenue no longer provides rejected lists

Debts (16 of 21)

- **Example of Debts for a Debtor:**
 - **5 debts (2 counties, 2 municipalities)**

| SSN | LAST NAME | FIRST NAME | INIT | ADDRESS | CITY | STATE | ZIP | DEBT AMOUNT | DEPT TYPE | DATE LOADED | ENTITY |
|-------------|-----------|------------|------|-------------------------|-------------|-------|-------|-------------|-----------|-------------|----------|
| 949-12-3456 | STONE | MARTHA | E | 1014 WEST SINGLE STREET | CENTRAL | NC | 28991 | 100.00 | TAX | 5/1/2018 | COUNTY 1 |
| 949-12-3456 | STONE | MARTHA | E | 1014 WEST SINGLE STREET | CENTRAL | NC | 28991 | 100.00 | UTL | 7/20/2020 | COUNTY 1 |
| 949-12-3456 | STONE | MARTY | | 318 CIRCLE DRIVE | WESTERN | NC | 28103 | 100.00 | EMS | 6/18/2022 | COUNTY 2 |
| 949-12-3456 | ARCHIBALD | MARTHA | S | 980 BALMY BRUSH RD | FAR WESTERN | NC | 28065 | 100.00 | TAX | 12/15/2023 | CITY 1 |
| 949-12-3456 | DALY | EUGENE | | 19635 HWY 164 EAST | BRUSHTON | NC | 28123 | 100.00 | PKG | 2/16/2024 | CITY 2 |

- **Combined in preparation for Dept. of Revenue**

| SSN | LAST NAME | FIRST NAME | INIT | ADDRESS | CITY | STATE | ZIP | | DEBT AMOUNT |
|-------------|-----------|------------|------|-------------------------|---------|-------|-------|--|-------------|
| 949-12-3456 | STONE | MARTHA | E | 1014 WEST SINGLE STREET | CENTRAL | NC | 28991 | | 500.00 |

(5) \$100
debts

Debts (17 of 21)

- **Example of Debts for a Debtor:**
 - **5 debts (2 counties, 2 municipalities)**

| SSN | LAST NAME | FIRST NAME | INIT | ADDRESS | CITY | STATE | ZIP | |
|-------------|-----------|------------|------|-------------------------|-------------|-------|-------|---|
| 949-12-3456 | STONE | MARTHA | E | 1014 WEST SINGLE STREET | CENTRAL | NC | 28991 | 1 |
| 949-12-3456 | STONE | MARTHA | E | 1014 WEST SINGLE STREET | CENTRAL | NC | 28991 | 2 |
| 949-12-3456 | STONE | MARTY | | 318 CIRCLE DRIVE | WESTERN | NC | 28103 | 3 |
| 949-12-3456 | ARCHIBALD | MARTHA | S | 980 BALMY BRUSH RD | FAR WESTERN | NC | 28065 | 4 |
| 949-12-3456 | DALY | EUGENE | | 19635 HWY 164 EAST | BRUSHTON | NC | 28123 | 5 |

2) Same person? YES

3) Same person? HIGHLY
LIKELY

4) Same person? PROBABLY
(MARITAL STATUS CHANGE?)

5) Same person? HIGHLY DOUBTFUL
(SSN ERROR?)

Debts (18 of 21)

- **Example of Debts for a Debtor:**
 - **Original debts**

| SSN | LAST NAME | FIRST NAME | INIT | ADDRESS | CITY | STATE | ZIP | DEBT AMOUNT | DEPT TYPE | DATE LOADED | ENTITY |
|-------------|-----------|------------|------|-------------------------|-------------|-------|-------|-------------|-----------|-------------|----------|
| 949-12-3456 | STONE | MARTHA | E | 1014 WEST SINGLE STREET | CENTRAL | NC | 28991 | 100.00 | TAX | 5/1/2018 | COUNTY 1 |
| 949-12-3456 | STONE | MARTHA | E | 1014 WEST SINGLE STREET | CENTRAL | NC | 28991 | 100.00 | UTL | 7/20/2020 | COUNTY 1 |
| 949-12-3456 | STONE | MARTY | | 318 CIRCLE DRIVE | WESTERN | NC | 28103 | 100.00 | EMS | 6/18/2022 | COUNTY 2 |
| 949-12-3456 | ARCHIBALD | MARTHA | S | 980 BALMY BRUSH RD | FAR WESTERN | NC | 28065 | 100.00 | TAX | 12/15/2023 | CITY 1 |
| 949-12-3456 | DALY | EUGENE | | 19635 HWY 164 EAST | BRUSHTON | NC | 28123 | 100.00 | PKG | 2/16/2024 | CITY 2 |

- **Combined debts and fees (5 x \$15) for Dept. of Revenue**

| SSN | LAST NAME | FIRST NAME | INIT | ADDRESS | CITY | STATE | ZIP | DEBT AMOUNT (with fees) |
|-------------|-----------|------------|------|-------------------------|---------|-------|-------|----------------------------|
| 949-12-3456 | STONE | MARTHA | E | 1014 WEST SINGLE STREET | CENTRAL | NC | 28991 | 575.00 |

\$500 +
(5) \$15
fees

Debts (19 of 21)

- **What Can Department of Revenue answer if called by Debtor?**

| SSN | LAST NAME | FIRST NAME | INIT | ADDRESS | CITY | STATE | ZIP | DEBT AMOUNT (with fees) | AGENCY |
|-------------|-----------|------------|------|-------------------------|---------|-------|-------|----------------------------|--------|
| 949-12-3456 | STONE | MARTHA | E | 1014 WEST SINGLE STREET | CENTRAL | NC | 28991 | 575.00 | 0159 |

Only This
Combined
Information

Agency 0159 - Local Government debt setoff Clearinghouse

- Department of Revenue has no idea it is County 1 or 2, nor City 1 or 2
- They only know it is agency 0159 – local government Clearinghouse
- Cannot tell Martha Stone/Archibald any other details:
 - No way to know of a debt in name of Eugene Daly being taken

Debts (20 of 21)

- **Example of Debts for a Debtor:**
 - **Setoff occurs for \$500.00 from Dept of Revenue**

| SSN | LAST NAME | FIRST NAME | DEBT AMOUNT | ACCOUNT NUMBER | ENTITY | Setoff Amount | Fee | Balance after Setoff | Remains of Setoff | |
|-------------|-----------|------------|-------------|----------------|----------|---------------|-------|----------------------|-------------------|---|
| 949-12-3456 | STONE | MARTHA | 100.00 | PT-2017-981531 | COUNTY 1 | 100.00 | 15.00 | 0 | 385.00 | 1 |
| 949-12-3456 | STONE | MARTHA | 100.00 | W-1009713-X | COUNTY 1 | 100.00 | 15.00 | 0 | 270.00 | 2 |
| 949-12-3456 | STONE | MARTY | 100.00 | E21-109876 | COUNTY 2 | 100.00 | 15.00 | 0 | 155.00 | 3 |
| 949-12-3456 | ARCHIBALD | MARTHA | 100.00 | T-10345-2022 | CITY 1 | 100.00 | 15.00 | 0 | 40.00 | 4 |
| 949-12-3456 | DALY | EUGENE | 100.00 | USP-1032 | CITY 2 | 40.00 | 0.00 | 60 | 0.00 | 5 |

- **Remaining debts**

| SSN | LAST NAME | FIRST NAME | INIT | ADDRESS | CITY | STATE | ZIP | DEBT AMOUNT (with fees) | AGENCY |
|-------------|-----------|------------|------|-------------------------|---------|-------|-------|-------------------------|--------|
| 949-12-3456 | STONE | MARTHA | E | 1014 WEST SINGLE STREET | CENTRAL | NC | 28991 | 75.00 | 0159 |



\$60 + \$15

Debts (21 of 21)

- **Submission to Clearinghouse:**
 - Can be submitted daily, file overwrites and remains on secure folder until Friday (or whenever download by Clearinghouse for weekly processing)
 - Recommend at least weekly (every Friday afternoon suggested)
 - Processed beginning early Monday morning, ends around noon
 - Status results provided by email by Monday late morning to early afternoon
 - Changes at local government MUST be transmitted to Clearinghouse to be adjusted at Dept. of Revenue (then shared with Education Lottery)

Setoffs (1 of 10)

- Occur 21 – 22 times per year
- Usually 2nd and 4th Tuesdays
- Starts in February, ends mid-December
- Deposits from Department of Revenue and Education Lottery go directly into Capital Management
- Clearinghouse informs Capital Management how much to deposit into each local government account
- Must have a Capital Management account (starts with 47) to participate
 - Clearinghouse can only direct deposits into ONE Capital management account
 - Local governments can use reports and files to internally make deposits if multiple department/account codes

2025 DOR Setoff Calendar:
<http://www.ncsetoff.org/DORCalendar.htm>

Setoffs (2 of 10)

- **Setoff Files Availability Email:**

- REMINDERS:

ncsetoff@ncsetoff.org

NC Local Govt Debt Setoff Clearinghouse has processed a file from NCDOR & NCEL

- SECURITY REMINDERS

- SURPLUS REMINDERS

- PASSWORD REMINDERS

- SETOFF IMPORT REMINDERS

SECURITY REMINDERS:

1. BE CAREFUL PRINTING REPORTS WITH FULL SOCIAL SECURITY NUMBERS (SSNs)- OUR SOFTWARE HAS SETTINGS TO MASK SSNs.
2. DO NOT SEND UNSECURED EMAILS WITH SOCIAL SECURITY NUMBERS, EVEN TO THE CLEARINGHOUSE!
3. VIOLATING THIS SECURITY MAY RESULT IN YOUR LOCAL GOVERNMENT BEING SUSPENDED FROM THE DEBT SETOFF PROGRAM!

PASSWORD REMINDERS:

1. If the TRANSMIT-IMPORT FROM CLEARINGHOUSE-SETOFF option fails, it is probably the TRANSMIT password has expired.
2. None of the TRANSMIT menu options will function if the 7 day password warning message has been sent but the password was not changed.
3. Please change this TRANSMIT password, if have ADMIN user and password, immediately upon receiving the expiration warning message.
4. TRANSMIT password does NOT affect the userid and password for signing on, ONLY the TRANSMIT menu
5. Using the ADMIN userid and password will allow for the changing of the Expired TRANSMIT password.

Setoffs (3 of 10)

- **Setoff Files (client software users):**

1. C/Mnnnn-yyyymmdd.pdf

2. C/Mnnnn-yyyymmdd.xlsx

3. setoff.txt ⚠ ⚠

4. C/Mnnnn-Surplus-yymmdd.xlsx (if any identified)

C999-20250923.pdf

C999-20250923.xlsx

Setoff.txt

These 3
files
Always
provided

C999-Surplus-20250923.xlsx



Contains FULL nine digit SSNs/ITINs



DELETED once processed

Change Started July 2024:

All files have the date appended to the filename, except for setoff.txt

Files remain for only 10 days – but can be restored. Please download – part of DUE PROCESS

Setoffs (4 of 10)

Used for importing into another billing system

- **Additional Setoff Files (client software users):**

1. Match-yyyymmdd.dat ⚠
2. Match-AcctCode-yyyymmdd.dat ⚠



Contains FULL nine digit SSNs/ITINs

Match-20250923.dat

Match-TAX-20250923.dat

These
must be
requested

Files remain for only 10 days – but can be restored. Please download – part of DUE PROCESS

Setoffs (5 of 10)

- **C/Mnnn-yymmdd.xlsx:**
 - Contains each debt setoff
 - Identifies account number, department, amount setoff, remaining balance and fee
 - Shows multiple debts setoff for one person
 - Even debts deleted from local government
 - Shows surplus amount
 - Identifies if a different name was sent to Dept. of Revenue
 - Can sum setoff amount column to match Capital Mgt. deposit

| J |
|------------------|
| SETOFF AMOUNT |
| 110.00 |
| 65.00 |
| 40.00 |
| 108.50 |
| 320.00 |
| 51.50 |
| 695.00 |

matches Capital Mgt. deposit

Setoffs (6 of 10)

- ***C/Mnnn-yyyymmdd.xlsx*** - sample:

| SSN | LAST NAME | FIRST NAME | INIT | ADDRESS | CITY | STATE | ZIP | DEBT AMOUNT | SETOFF AMOUNT | SETOFF DATE | SETOFF FEE | SURPLUS AMOUNT | ACCOUNT NBR | DEPT |
|-------------|-----------|------------|------|----------------------|-------------|-------|-------|----------------|------------------|----------------|---------------|-------------------|----------------|------|
| ***_**-7314 | ALDEN | JOHN | | 1307 Christopher Ln | Cary | NC | 27513 | 0.00 | 151.54 | 09/23/2025 | 0.00 | 151.54 | EMS 8020713 | EMA |
| ***_**-2711 | ALLERTON | BARINNER | L | 9382 Percival Street | Hickory | NC | 27401 | 166.23 | 127.77 | 09/23/2025 | 15.00 | | EMS 316547 | EMA |
| ***_**-8096 | ALLERTON | BRITTANY | | 1055 Bentley Road | Concord | NC | 27217 | 0.00 | 295.46 | 09/23/2025 | 15.00 | | BCBRC-59946924 | TAX |
| ***_**-4046 | BRADFORD | HEATHER | | 876 Elm Street | High Point | NC | 27217 | 539.72 | 37.28 | 09/23/2025 | 15.00 | | 201301301421 | TAX |
| ***_**-1343 | COOKE | HARRIETT | | 1624 W Oakland St | Chapel Hill | NC | 27253 | 0.00 | 278.81 | 09/23/2025 | 15.00 | | 201201260167 | TAX |
| ***_**-7140 | GARDINER | REBECCA | | 199 Berry Tree Ln | Statesville | NC | 28106 | 93.88 | 47.00 | 09/23/2025 | 0.00 | | 6302469.00 97 | UTL |
| ***_**-0371 | WILLET | ALICIA | | 111B Sara Dr | Concord | NC | 27253 | 428.31 | 92.69 | 09/23/2025 | 15.00 | | 86496 | HLT |

Dept. of Revenue no longer provides name and address

Above names are from public list from Mayflower and/or Titanic

Setoffs (7 of 10)

- C/Mnnn-yyyymmdd.xlsx - sample**

| SSN | LAST NAME | FIRST NAME | DEBT AMOUNT | SETOFF AMOUNT | SETOFF DATE | SETOFF FEE | SURPLUS AMOUNT | ACCOUNT NUMBER | DEPT | UNIQUE ID | USER KEY | COMPLIANCE DATE | EXPIRATION DATE | SOURCE | CLEARINGHOUSE SUBMITTED: LAST NAME | FIRST NAME |
|-------------|-------------|------------|----------------|------------------|----------------|---------------|-------------------|----------------|------|--------------|-------------|--------------------|--------------------|---------|------------------------------------|------------|
| ***-**-0675 | Andersson | Anders | 0.00 | 480.00 | 09/23/2025 | 15.00 | | EMS 8008983 | EMA | 170720 | EMS 8008983 | 04/04/2012 | 12/31/2024 | Revenue | Anderson | Anders |
| ***-**-5021 | Becker | Nellie | 0.00 | 68.40 | 09/23/2025 | 15.00 | | ALA-1620582:1 | EMO | 844484 | ALA- | 03/27/2017 | 12/31/2027 | Revenue | Becker | Nellie |
| ***-**-3533 | Behr | Karl | 351.44 | 45.33 | 09/23/2025 | 0.00 | | E21-58158 | EMS | 1221801 | E21-58158 | 12/22/2021 | 01/07/2031 | Revenue | Behr | Carl |
| ***-**-0260 | Boulos | Nourelain | 0.00 | 95.66 | 09/23/2025 | 15.00 | | E22-2316515 | EMS | 1229687 | E22-2316515 | 11/02/2023 | 11/22/2032 | Revenue | Boulos | Nourelain |
| ***-**-2969 | Caram | Maria | 660.30 | 48.00 | 09/23/2025 | 15.00 | | E22-2124896 | EMS | 1229373 | E22-2124896 | 08/05/2023 | 10/24/2032 | Revenue | Caram | Maria |
| ***-**-7822 | Gavey | Laurence | 0.00 | 223.14 | 09/23/2025 | 15.00 | | E2R7K0M3P | TAX | 1236391 | 3258391 | 04/08/2024 | 03/01/2099 | Revenue | Gavey | Laurence |
| ***-**-0683 | Gilinski | Eliezer | 0.00 | 405.90 | 09/23/2025 | 15.00 | | G8M0R9E4E | TAX | 1233947 | 3297102 | 04/08/2024 | 02/01/2099 | Revenue | Gilinsky | Eliezer |
| ***-**-3064 | Goldschmidt | C | 0.00 | 341.40 | 09/23/2025 | 0.00 | | E22-1750398 | EMS | 1229891 | E22-1750398 | 11/02/2023 | 08/23/2032 | Lottery | Goldschmidt | C |
| ***-**-4481 | Goldschmidt | George | 0.00 | 281.35 | 09/23/2025 | 15.00 | | C8I4G4C4E | TAX | 1233353 | 3256362 | 04/08/2024 | 02/01/2099 | Revenue | Goldschmidt | George |
| ***-**-4481 | Gronnestad | Daniel | 121.97 | 35.65 | 09/23/2025 | 15.00 | | C8I4G4C4E | TAX | 1233354 | 3256363 | 04/08/2024 | 02/01/2099 | Revenue | Larsson | August |

Above names are from public list from Mayflower and/or Titanic

Probable
wrong
person
setoff

Setoffs (8 of 10)

- **Surplus Excel File:**
 - Contains debts setoff identified as a surplus:
 - If recently paid and debt reduced to \$0.00
 - If debt recently deleted in client software
 - If debtor filed multiple refunds (amended/past years)
 - If debtor collected on multiple lottery tickets
 - If setoff by BOTH Dept. of Revenue and Lottery
 - If debt setoff but recently expired (review before refunding)

Setoffs (9 of 10)

- **Surplus-yyyymmdd.xlsx:**

All fees put in ONE surplus



| SSN | LAST NAME | FIRST NAME | INIT | SURPLUS AMOUNT | FEE | UNIQUE KEY | ADDRESS | CITY | STATE | ZIP | Dept |
|-------------|-----------|------------|------|----------------|-------|------------|-----------------------|------------|-------|-------|------|
| ***-**-3210 | ANDERSEN | ALBERT | K | 283.00 | 30.00 | 26599 | 3892 Hollow Drive | KNIGHTDALE | NC | 27545 | ANC |
| ***-**-8133 | CLARKE | ADA | E | 130.00 | 0.00 | 64194 | 6459 Bunting Crest Dr | RALEIGH | NC | 27604 | PKG |
| ***-**-6223 | WAELENS | ACHILLE | | 81.22 | 15.00 | 34017 | 1340 Barrineau Road | CHARLOTTE | NC | 27615 | UTL |

Surpluses cannot be used for additional debts that have NOT had due process!

Disclaimer: due to manual adjustments between different local governments there may be debts in this file that are NOT actually surpluses. In addition, there may be surpluses NOT included. Research any debts included to determine if a refund for overages need to be returned to the debtor. In addition, check the fee for accuracy. Contact Clearinghouse for exact details.

Above names are from public list from Mayflower and/or Titanic

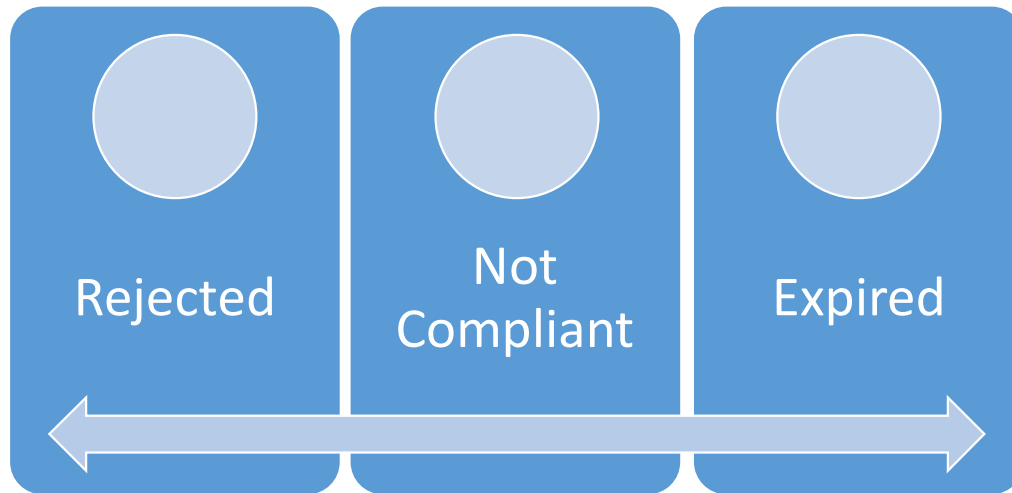
Setoffs (10 of 10)

- **Setoff Information timeline:**
 - File information provided by Dept. of Revenue and Education Lottery (Tuesday) – usually 2nd and 4th of the month
 - Setoff files and reports available to local governments (Tuesday)
 - Remain for 10 days – please download as same file names used for next setoff!
 - Deposit information provided to Capital Management (Wednesday)
 - Deposit from Dept. of Revenue and Lottery to Capital Mgt. (Friday)
 - Funds available to local governments from Capital Management – (following Tuesday)

Adjustments - Email (1 of 6)

- Announcements
- Important Information
- Setoff Calendar
- Tips and Reminders
- Hours of Operation

Adjustments - Email (2 of 6)



| | |
|--------------------------|----|
| Debtors Rejected: | 10 |
| Debts Rejected: | 10 |
| Debts Not Yet Compliant: | 0 |
| Debts Expired: | 36 |

Needs Reviewing
– contact
Clearinghouse to
correct/remove

Informational
– May Need
Reviewing

| | |
|--------------------------|---|
| Debtors Rejected: | 0 |
| Debts Rejected: | 0 |
| Debts Not Yet Compliant: | 0 |
| Debts Expired: | 0 |

Perfect!

| | |
|--------------------------|-----|
| Debts Not Yet Compliant: | 598 |
|--------------------------|-----|

Informational
– May Need
Reviewing

Adjustments – Email (3 of 6)

Weekend Process

Previous Debt Amount

Current Debt Amount

Net Amount

Increases/Decreases result from imports and/or manual adjustments at local government. Setoffs offset if local govt. processed the setoff file. Large increases usually from Clearinghouse or internal staff processed a departmental Excel/ASCII file.

| | |
|-----------------------|-----------------|
| Previous Debt Amount: | \$30,996,428.46 |
| Current Debt Amount: | \$34,116,461.71 |
| Net Amount: | \$3,120,033.25 |

| | |
|-----------------------|----------------|
| Previous Debt Amount: | \$1,844,780.65 |
| Current Debt Amount: | \$1,760,073.53 |
| Net Amount: | \$84,707.12 |

3 Files Received

| |
|----------------------|
| /Home/Burke County |
| File Name |
| C012XMIT.txt |
| TAX_ImportStatus.rpt |
| TAX_Summary.rpt |

3 Files Received

| |
|-----------------------|
| /Home/Johnston County |
| File Name |
| C051XMIT.txt |
| EMS_ImportStatus.rpt |
| EMS_Summary.rpt |

| | |
|-----------------------|--------------|
| Previous Debt Amount: | \$406,968.97 |
| Current Debt Amount: | \$406,968.97 |
| Net Amount: | \$0.00 |

If no adds/adjustments at local govt.

Adjustments - Email (4 of 6)

- Date Errors:**

Reports

Import/Export

Transmit

Import Status Error Report

| DEPT | ERROR | DEBT AMOUNT |
|------|--|---------------------|
| UTL | NOTICE: Compliance Date 90+ days: 12/31/2026 | Debt Amount: 361.25 |
| UTL | NOTICE: Compliance Date 90+ days: 12/31/2026 | Debt Amount: 56.92 |
| UTL | NOTICE: Compliance Date 90+ days: 12/31/2026 | Debt Amount: 141.95 |

Compliance Date may not be an Error – but if many months or years in future, it would be

| DEPT | ERROR | DEBT AMOUNT | NAME | ACCOUNT NUMBER |
|------|---|---------------------|----------------|-------------------|
| HOU | NOTICE: Compliance Date 1+ days: 10/10/2025 | Debt Amount: 477.96 | Bell Latilya | Acct #: 02004F-19 |
| HOU | NOTICE: Compliance Date 1+ days: 10/10/2025 | Debt Amount: 478.00 | Chase Azshanay | Acct #: 05316B-13 |

| SSN | DEPT | ERROR | DEBT AMOUNT | NAME | ACCOUNT NUMBER |
|-------|------|---|-----------------------|------|-----------------------------------|
| -6360 | FIC | NOTICE: Compliance Date 90+ days: 9/10/2033 | Debt Amount: 2,242.15 | PUR | Acct #: UT WATER/SEWER 2009-21012 |
| -6360 | FIC | Compliance Date must be prior to Expiration | Debt Amount: 2,242.15 | PUR | Acct #: UT WATER/SEWER 2009-21012 |

| SSN | DEPT | ERROR | DEBT AMOUNT | NAME | ACCOUNT NUMBER |
|-------|------|------------------------------------|---------------------|------|----------------|
| -1363 | UTL | DEBT REJECTED: Expired: 12/31/2024 | Debt Amount: 423.00 | VEL | Acct #: 511883 |
| -5513 | UTL | DEBT REJECTED: Expired: 12/31/2024 | Debt Amount: 162.13 | WAF | Acct #: 517549 |

Not an Error – but consider extending or deleting

Adjustments - Email (5 of 6)

Reports

Import/Export

Transmit

Import Status Error Report

- Invalid SSN Errors:

| SSN | DEPT | ERROR | DEBT AMOUNT | NAME | ACCOUNT NUMBER |
|-------------|------|---|-----------------------|------|--------------------|
| 000-00-1528 | UTL | DEBT REJECTED: Invalid SSN, begins with 0000: | Debt Amount: 1,287.51 | T/ | Acct #: 3859984973 |
| 000-00-1528 | UTL | DEBT REJECTED: Invalid SSN, begins with 0000: | Debt Amount: 1,216.05 | T/ | Acct #: 3859984973 |
| 000-00-1787 | UTL | DEBT REJECTED: Invalid SSN, begins with 0000: | Debt Amount: 51.47 | HC | Acct #: 5672156657 |
| 000-00-2777 | UTL | DEBT REJECTED: Invalid SSN, begins with 0000: | Debt Amount: 183.04 | HC | Acct #: 811622892 |

| SSN | DEPT | ERROR | DEBT AMOUNT | NAME | ACCOUNT NUMBER |
|-------------|------|---|---------------------|------|---------------------|
| 999-99-3884 | EMS | DEBT REJECTED: Invalid SSN, begins with 9999: | Debt Amount: 402.00 | MA | Acct #: 240006790A1 |

| | | | | | |
|-----------|-----|--|---------------------|-----|----------------------|
| 031-82-28 | UTL | DEBT REJECTED: Invalid SSN, not nine digits: | Debt Amount: 383.26 | SCE | Acct #: 158844-12749 |
|-----------|-----|--|---------------------|-----|----------------------|

Cannot
begin
with
000- or
999-

Adjustments - Email (6 of 6)

| | | |
|----------------------------|---------------|----------|
| Reports | Import/Export | Transmit |
| Import Status Error Report | | |

- Invalid Name Errors:

| SSN | DEPT | ERROR | DEBT AMOUNT | NAME | ACCOUNT NUMBER |
|--------|------|------------------------------------|---------------------|------|------------------|
| 1-6312 | UTL | DEBT REJECTED: First Name Invalid: | Debt Amount: 105.94 | PI | Acct #: U5543751 |
| 4-7257 | UTL | DEBT REJECTED: First Name Invalid: | Debt Amount: 424.56 | SI | Acct #: U5543901 |

| SSN | DEPT | ERROR | DEBT AMOUNT | NAME | ACCOUNT NUMBER |
|--------|------|---|---------------------|----------------|--------------------|
| 4-2949 | TAX | DEBT REJECTED: Last Name Invalid: %PATRICIA | Debt Amount: 651.49 | %PATRICIA MCP. | Acct #: 2021014910 |
| 6-2359 | TAX | DEBT REJECTED: Last Name Invalid: %PARKS | Debt Amount: 967.87 | %PARKS MALCOM | Acct #: 2017016764 |

Cannot begin with 000- or 999-

031-82-28 UTL DEBT REJECTED: Invalid SSN, not nine digits: Debt Amount: 383.26

Not an Error – but consider extending or deleting

Year-end Clean-up/Expired Debts (1 of 5)

- Clearinghouse will provide an Excel file of already expired debts or those that will expire by 12/31/2025

Currently 11,038 debts are expired for \$4,325,576

Currently 176 local governments have 129,021 debts for \$48,525,138 expiring by 12/31/2025

- Only last four of SSN/ITIN is provided
 - Client software users can view entire SSN/ITIN (with access rights) using Report-Expiration
- We will send an email, with instructions, after placing in your secure folder (automatically deleted after 10 days but can be restored)
- All Departments in same file
 - sort/separate/distribute if necessary
- Estimated availability– Tuesday, Nov.4, 2025 (1 day prior to virtual software training)

Many of these are older EMS trips 2015 and older \$42M+

Year-end/Expired Debts (2 of 5)

- Sample Excel file of already expired debts or those that will expire by 12/31/2025 (file available for 10 days)

| SSN | Last Name | First Name | Acct Nbr | Debt Amount | Expiration Date | Compliance Date | Unique Key | Street Address | City | State | Department |
|-------------|-----------|------------|----------|-------------|-----------------|-----------------|------------|---------------------|---------------|-------|------------|
| 999-00-6518 | Dick | Albert | 7596771 | 378.97 | 12/31/2025 | 01/15/2019 | 7596771 | 404 Kay St | ACUSHNET | MA | UTL |
| 999-00-6854 | Moen | Sigurd | 6831241 | 2567.08 | 10/15/2024 | 01/15/2019 | 6831241 | 8803 Bison Road | Alexandria | VA | TAX |
| 999-00-3543 | Betros | Tannous | 5043990 | 203.00 | 12/31/2025 | 11/19/2009 | 5043990 | 1817 Diles Bay Road | ARCHDALE | NC | HLT |
| 999-00-3914 | Panula | Ernesti | 7034255 | 665.90 | 12/31/2025 | 03/02/2019 | 7034255 | 8936 Climbers Road | ANGIER | NC | TAX |
| 999-00-2626 | Odriscoll | Bridget | 7569180 | 859.86 | 12/30/2025 | 11/19/2009 | 7569180 | 953 Water Garden L | CHARLOTTE | NC | TAX |
| 999-00-2619 | Stone | Martha | 6794565 | 183.18 | 12/31/2025 | 11/19/2009 | 6794565 | 404 Sims Way | RALEIGH | NC | EMS |
| 999-00-4460 | Dean | Elizabeth | 6938729 | 110.59 | 06/15/2023 | 11/19/2009 | 6938729 | 22 Beulah St | WAKEFOREST | NC | UTL |
| 999-00-9115 | Ekstrom | Johan | 6757041 | 684.08 | 12/31/2025 | 01/15/2019 | 6757041 | G210 Skinner Rd | ELIZABETHTOWN | NC | TAX |
| 999-00-9017 | Sundman | Johan | 6758737 | 797.00 | 12/31/2025 | 01/15/2019 | 6758737 | 943 Kiley Ct | WINGATE | NC | TAX |



Above names are from public list from Mayflower

Year-end/Expired Debts (3 of 5)

- Avoid the need for a list from Clearinghouse. Run report to see debts expiring by end of this year (client software users)

| Reports | Import/Export |
|-------------------|---------------|
| Adjustments | |
| Aged Debt Report | |
| Audit Report | |
| Compliance Report | |
| Composite Report | |
| Expiration Report | |

Expiration Start Date: 01/01/2000

Expiration End Date: 12/31/2025

Account Codes: ALL - Include all Debt Types



Some expired debts may be previous year(s)

| North Carolina Debt Setoff Program | | | | | |
|--|---------------------|-------------|------|----------------|-----------------|
| C999: Agency Name | | | | | |
| Expiration Report | | | | | |
| Date: 09/30/2025 | | | | | |
| Date Range: 01/01/2000 Thru 12/31/2025 | | | | | |
| SSN | NAME | DEBT AMOUNT | CODE | ACCOUNT NUMBER | EXPIRATION DATE |
| ***-7197 | Albimona William C | 50.00 | FAL | 7096130 | 12/31/2025 |
| ***-8282 | Alhomaki Carla R | 75.00 | HLT | 9569484 | 12/31/2025 |
| ***-2339 | Ali Ahmed | 163.52 | AMC | A-3421032 | 10/15/2024 |
| ***-7491 | Andersson Johan J | 80.37 | HLT | 5535466 | 12/31/2025 |
| ***-7603 | Andreasson Signid E | 49.00 | HLT | 5201905 | 12/31/2025 |
| ***-7603 | Andreasson Signid E | 49.00 | HLT | 5201905 | 12/31/2025 |
| ***-1919 | Angheloff Frank | 49.50 | HLT | 4998653 | 12/31/2025 |
| ***-5090 | Barbara Charlotte | 50.00 | HLT | 9698367 | 12/31/2025 |
| ***-7463 | Bateman Josef J | 50.00 | HLT | 7272508 | 12/31/2025 |
| ***-5916 | Beavan John T | 50.00 | HLT | 6266711 | 12/31/2025 |
| ***-6770 | Becker Filip L | 52.25 | HLT | 7021518 | 12/31/2025 |
| ***-6098 | Becker Mariana E | 90.00 | HLT | 8412490 | 12/31/2025 |

Select many years prior – to be sure. Recommend 1/1/2000 and go to end of this year 12/31/2025

Above names are from public list from Mayflower and/or Titanic

Year-end/Expired Debts (4 of 5)

- Avoid the need for a list from Clearinghouse. Run report to see debts expiring by end of this year (client software users)

Some expired debts may be \$0.00

| Reports | Import/Export |
|-------------------|---------------|
| Adjustments | |
| Aged Debt Report | |
| Audit Report | |
| Compliance Report | |
| Composite Report | |
| Expiration Report | |

| North Carolina Debt Setoff Program | | | | | |
|--|-------------------|-------------|------|----------------|-----------------|
| C999: Agency Name | | | | | |
| Expiration Report | | | | | |
| Date: 09/30/2025 | | | | | |
| Date Range: 01/01/2000 Thru 12/31/2025 | | | | | |
| SSN | NAME | DEBT AMOUNT | CODE | ACCOUNT NUMBER | EXPIRATION DATE |
| ***-**-9136 | Parkes Edward F | 0.00 | HLT | 7041359 | 12/31/2025 |
| ***-**-8765 | Ponesell Patrick | 69.86 | HLT | 6795201 | 12/31/2025 |
| ***-**-8044 | Righini John | 0.00 | HLT | 6828273 | 12/31/2025 |
| ***-**-4509 | Rosblom Annie R | 100.00 | HLT | 6844597 | 12/31/2025 |
| ***-**-0582 | Rothschild John J | 225.25 | HLT | 4785364 | 12/31/2025 |

Select many years prior – to be sure. Recommend 1/1/2000 and go to end of this year 12/31/2025

Above names are from public list from Mayflower and/or Titanic

Year-end/Expired Debts (5 of 5)

- Also run report to see debts expiring by next year major Tax season (client software users)

Reports Import/Export

- Adjustments
- Aged Debt Report
- Audit Report
- Compliance Report
- Composite Report
- Expiration Report

Expiration Start Date: 01/01/2000

Expiration End Date: 04/30/2026

Account Codes: TAX Taxes



| North Carolina Debt Setoff Program | | | | | |
|--|--------------------|-------------|------|----------------|-----------------|
| C999: Agency Name | | | | | |
| Expiration Report | | | | | |
| Date: 09/30/2025 | | | | | |
| Date Range: 01/01/2000 Thru 04/30/2026 | | | | | |
| SSN | NAME | DEBT AMOUNT | CODE | ACCOUNT NUMBER | EXPIRATION DATE |
| ***-**-4684 | Abelseth Karen M | 315.25 | TAX | 2005-6833294 | 04/15/2026 |
| ***-**-1814 | Aldworth Charles A | 65.12 | TAX | 2005-9237052 | 04/15/2026 |
| | | 380.37* | | | |

Select many years prior – to be sure. Recommend 1/1/2000 and go to end of major tax season 04/30/2026. Even consider choosing end of next year: 12/31/2026

Above names are from public list from Mayflower and/or Titanic

Year-end Clean-up Requirements (1 of 1)

- Remove debts no longer attempting to collect on:

- 1) Debts \$0 not setoff (GOOD) – (MINIMUM)
 - Debtors who paid, entered incorrectly, bankruptcy or deceased
 - Client software users can view entire SSN/ITIN (with access rights) using Report-Expiration
- 2) All debts less than \$50 not setoff (GOOD)
- 3) All \$0 debts (BETTER)
- 4) All debts less than \$50 (BEST)

For any cleanup option, Setoff report history still retained

Create Excel export file PRIOR to any clean-up/deletion. Consider unmasking SSNs/ITINs.



➤ Our software has options for each of the above, BY DEPARTMENT



ANALYTICS



ANALYTICS

ANALYTICS

ANALYTICS

Analytics (1 of 6)

Setoffs in 2025 – By Year Debt Submitted

| Year Debt Submitted | # of Setoffs/Amount Collected in 2025 |
|---------------------|---------------------------------------|
| 2004 | 3 / \$301 |
| 2005 | 0 / \$0 |
| 2006 | 2/ \$196 |
| 2007 | 3 / \$170 |
| 2008 | 0/ \$0 |
| 2009 | 6/ \$996 |
| 2010 | 7 / \$834 |
| 2011 | 335 / \$55,100 |
| 2012 | 1,900 / \$336,086 |
| 2013 | 1,720 / \$312,585 |
| 2014 | 2,128 / \$406,733 |

| Year Debt Submitted | # of Setoffs/Amount Collected in 2025 |
|---------------------|---------------------------------------|
| 2015 | 2,272 / \$402,807 |
| 2016 | 4,100 / \$749,586 |
| 2017 | 2,703 / \$456,841 |
| 2018 | 3,435 / \$613,833 |
| 2019 | 6,418 / \$1,210,495 |
| 2020 | 6,952 / \$1,223,836 |
| 2021 | 8,137 / \$1,582,786 |
| 2022 | 10,166 / \$1,922,638 |
| 2023 | 12,690 / \$2,475,736 |
| 2024 | 29,000 / \$5,973,352 |
| 2025 | 12,220 / \$2,528,687 |

Analytics (2 of 6)

Setoffs in 2025 – By Year Debt Submitted

Submitted w/in 3 Years: 2023 - 2025:

- \$10,977,775 (54%)

Submitted w/in 5 Years: 2021 - 2025:

- \$14,483,199 (72%)

Submitted w/in 10 Years: 2016 - 2025:

- \$18,478,119 (93%)

Total Collected in 2025:

- \$20,928,360

Submitted 2002 - 2015:

- \$1,515,808 (7%)

Analytics (3 of 6)

Largest Individual Setoff:

\$23,196 - 4/17/2019

Other Notables:

\$22,465 – 2/6/2018

\$21,083 - 9/26/2023

Same Debtor:

\$17,694 – 4/18/2017

\$16,786 – 5/2/2017

Total: \$34,480

Balance after: \$4,351

Since Paid in full - Total Fees: \$30

Same Debtor Most Setoffs:

87 setoffs for \$7,196 - 5/2/2023

(86 EMS Trips: 2013 – 2022)

Total Fees: \$1,305

- **All Setoffs (2017 - present): 1,036,789**
 - **\$0.01 - \$49.99:** 111,885
 - **\$50 - \$199.99:** 617,261
 - **\$200 - \$999.99:** 303,291
 - **\$1,000 - \$4,999:** 4,313 (2,630 paid in full)
 - **\$5,000 - \$9,999:** 28 setoffs (20 paid in full)
 - **\$10,000+:** 9 setoffs (5 paid in full)

Analytics (4 of 6)

Largest 2025 Setoffs (Tax refunds):

- 1) \$9,320 (Tax)
- 2) \$7,077 (Tax)
- 3) \$6,665 (Utilities)
- 4) \$5,740 (Tax)
- 5) \$5,730 (Miscellaneous)

Largest 2025 Setoffs (Lottery claims):

- 1) \$4,772 (Hospital)
- 2) \$3,576 (Miscellaneous)
- 3) \$3,246 (Tax)
- 4) \$2,585 (Hospital)
- 5) \$2,583 (Utilities)

Same Debtor Most Setoffs in 2025:

- 20 setoffs for \$8,781 (Fees: \$285)
- 1) 18 EMS Trips: \$ 4,184 (Fees: \$255)
 - 2) 1 UTL: \$4,399 (Fees: \$15)
 - 3) 1 UTL: \$198 (Fees: \$15)

• Setoffs for 2025:

- \$0.01 - \$49.99: 10,646
- \$50 - \$199.99: 60,358 (27,165 paid in full)
- \$200 - \$999: 35,939 (15,125 paid in full)
- \$1,000 - \$4,999: 651 (416 paid in full)
- \$5,000 - \$9,999: 5 (4 paid in full)
- \$10,000+: 0 setoff

Average setoff for 2025: \$194.50

- **What We Can't Provide:**
 - How much debt has a local government submitted since a certain date
 - Why?
 - Local governments are allowed as often as weekly to:
 - Add new debts/replace entire departments, edit balances, delete from bankruptcies, death, etc.
 - Year end processes can remove expired debts, debts less than \$50

- **What We Can't Provide – but might help:**

- Statistics website:



| | |
|------------------------|------|
| Total Debt Submitted | 2025 |
| Current Debt Submitted | |

- Shows Total Amount Submitted – amount January 1 of current and past year
- Fiscal year report (using the software): REPORTS – SETOFF REPORT
- Choose department and date range (calendar or fiscal)



N★C LOCAL GOVERNMENT **DEBT SETOFF CLEARINGHOUSE**

2026 Annual Participation Form

This Participation Form certifies that the local government intends to participate in the North Carolina Local Government Debt Setoff Clearinghouse for the 2026 calendar year. Only ONE form is needed per local government. The participation form covers all departments.

Local Government Name *

Entity Code(ie. C### or M###) *

Type of Participant: If you are a municipality providing utilities, select City/Town/Village, not Water & Sewer (162A Art. 1).

- ☐ City/Town/Village
- ☐ County
- ☐ Water & Sewer (162A Art. 1)
- ☐ Joint Regional Agency (160A Art. 20)
- ☐ Public Health Authority (130A - Art.2, Part 1B)
- ☐ Metropolitan Sewerage District (162A Art. 5)
- ☐ Sanitary District (130A Art. 2, Part 2)
- ☐ Housing Authority (157)
- ☐ Regional Solid Waste Authority (153A Art. 22)

Coordinator Information

This person will be the entity's primary contact should the Clearinghouse need to reach you.

Coordinator Name:

Coordinator Phone Number

Please enter a valid phone number.

Coordinator Email Address:

example@example.com

Debtor Contact

This person will be the primary contact when a debtor wishes to reach the entity. This may be the same person as the coordinator.

Contact Name:

Contact Phone Number:

Please enter a direct line phone number.

Contact Email address:

example@example.com

Hearing Officer and Title/Position:

What name and/or department should debtors be referred to when calling the Interactive Voice Response (IVR)?

What telephone number should debtors be referred to when calling the Interactive Voice Response (IVR)?

Phone Number must be to the local government, NOT the vendor!

Please enter a valid phone number.

Would you like different contacts and phone numbers for different departments/types of debt?

- ☐ No - just 1 needed
- ☐ Yes- please contact Clearinghouse to discuss
- ☐ Already set up - No changes needed at this time
- ☐ Already set up - Changes needed; please contact Clearinghouse

Can have separate contact (names or departments/groups for each debt type. Will assist callers and each frustration if can't reach someone can answer questions about their debt.

| EMS | Customer Services | 919-555-1012 |
|-----|-------------------|-----------------------|
| Tax | Tax Office | 919-555-1014 |
| HLT | Patient Billing | 999-555-1061 ext. 345 |
| UTL | Susan | 919-555-1876 |

What is your current method for transmitting debts (if already participating)? OR What would you like to choose if you are not yet participating?

- ☐ Client Software: Encrypted Data and Encrypted File Transfer (No Cost)
- ☐ Secure Web Access: Encrypted File Transfers: ASCII ONLY (No Cost)
- ☐ Hardcopy Forms by Secure Fax (No Cost)

Type of Debt(s) currently being submitted (for information only):

- ☐ Taxes - Property
- ☐ Taxes - Vehicle
- ☐ Utilities
- ☐ EMS
- ☐ Health
- ☐ Alarms
- ☐ Animal Violations
- ☐ Assessments
- ☐ Civil Citations
- ☐ Code Enforcement
- ☐ Demolitions
- ☐ Employees
- ☐ Environmental

- ☐ Fines (library/other)
- ☐ Housing
- ☐ Inspections
- ☐ Landfill
- ☐ Loans
- ☐ Maintenance (lawn,trees)
- ☐ Nuisance
- ☐ Ordinance Violations
- ☐ Parking Tickets
- ☐ Privilege license (debts prior to 6/30/2015)
- ☐ Recreation
- ☐ Returned Checks
- ☐ Sewer Tap
- ☐ Solid Waste
- ☐ Storage Rental
- ☐ Storm Water
- ☐ Traffic Citations
- ☐ None (a new participant)

Check what currently being submitted or anticipated soon, no need to resubmit if add or delete before next year's participation form.

Other types of debt not listed above:

Name of person completing this form:

Title of person completing this form:

Email address of person completing this form:

example@example.com

New for 2026

No separate electronic signature form – only one form

Due by end of December or
debts will be removed in
early January and priority
lost.

2025 Year-end Requirements

(started in 2024)

Year-end cleanup procedures for the purpose of Personal Identifiable Information (PII) are no longer optional.

Local governments can do manual edits as any User or mass edits via menu as Administrator).

Instructions and reminders will be sent by late November. The Clearinghouse staff will assist.

- Client Software Users
 - DELETIONS:
 1. DELETE ALL \$0.00 NOT SETOFF (minimum)
 2. DELETE ALL \$0.00 (better)
 3. DELETE ALL < \$50 (BEST)
 - EXPIRED DEBTS
 1. EXTEND (BEST) OR
 2. DELETE (minimum if don't extend)
 - a) \$0.00 EXPIRED DEBTS (minimum)
 - b) < \$50 EXPIRED DEBTS (better)
 - c) ALL EXPIRED DEBTS (BEST)

Avoiding Disaster/Refunds (1 of 3)

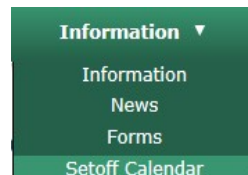
- Check Weekly Import Status Reports
 - Contact us if a substantial increase or decrease
- Process your setoff files – check setoff calendar
- Transmit Updated Balances to Clearinghouse after changes to balances
 - Export to Clearinghouse-Debtor Information
- Check/reconcile Capital Mgt. deposits with Setoff Reports

Changes in your client software DOES NOT update at Clearinghouse unless TRANSMIT executed

Avoiding Disaster/Refunds (2 of 3)

- Ensure each setoff file is downloaded and processed

- Setoff Calendar:



| October | November | December |
|---------|----------|----------|
| 7 | 4 | 2 |
| 21 | 18 | 16 |

- Each 2025 deposit is on the Statistics page:

| North Carolina Local Government Setoff Debt Clearinghouse | | | | | | | |
|---|------------------|----------|----------|----------|-----------|--------------|----------|
| Capital Mgt - Deposit Detail - 2025 | | | | | | | |
| # | County | 04-Feb | 18-Feb | 04-Mar | 18-Mar | 09-Sep | 23-Sep |
| 1 | Alamance County | 2,996.64 | 1,364.70 | 1,934.60 | 11,934.19 | 2,673.82 | 1,240.29 |
| 2 | Alexander County | 536.10 | 0.00 | 213.69 | 4,697.95 | 404.59 | 49.00 |
| 3 | Alleghany County | 0.00 | 0.00 | 0.00 | 99.81 | 94.76 | 0.00 |
| 4 | Anson County | 475.00 | 0.00 | 0.00 | 2,524.22 | 899.50 | 60.64 |
| | | | | | | Yearly | |
| | | | | | | Totals | |
| | | | | | | \$182,874.07 | |
| | | | | | | \$63,184.27 | |
| | | | | | | \$16,073.87 | |
| | | | | | | \$38,208.81 | |

Statistical Reports

2025

- Counties & County Agencies Alphabetical
- County Deposits Detail By Date
- Municipalities Alphabetical
- Municipalities Deposits Detail By Date

2024

- Counties & County Agencies Alphabetical
- County Deposits Detail By Date
- Municipalities Alphabetical
- Municipalities Deposits Detail By Date

Use to reconcile with Capital Mgt. statements –
contact us if any 2025 setoffs need to be restored

A Setoff Report should exist for each
deposit date (client software users).

Avoiding Disaster/Refunds (3 of 3)

- Ensure your I.T. is backing up your NCDebtsetoff database
- If lost or encrypted/locked via Ransomware
 - Clearinghouse can regenerate database with debtor balances currently at Clearinghouse
 - **Un-recoverable data for local government:**
 - Setoff history (Clearinghouse still retains)
 - Debt history/adjustments
 - Users with logins and passwords
 - Letter settings

If new computer installed be sure to save NCDebtsetoff database (if used as server) AND pdfs of due process notification letters

All priority is LOST on ALL debts – starts a new place in line with new date first loaded – occurred many times in 2025

Avoiding Security Issues (1 of 1)

- Never send a file with SSN/ITINs and protected identifiable information via email to us
 - We have secure folders for each local government
 - We can connect to your computer and view/assist
- Do not send an email with full SSN/ITINs
 - Call us for inquiries
- Delete ASCII and Excel files once imported into our client software

Avoiding Refunds Scenario (1 of 2)

Day 1

- Debtor comes in to pay balance on a Monday

Day 2

- Local government TRANSMITs balances to Clearinghouse next day (Tuesday)

Day 5

- Clearinghouse processes local government balance file on Friday

Day 7


- Clearinghouse creates weekly file for Dept. of Revenue on following Monday

**Avoiding Refunds Scenario (2 of 2)



Day 8

- Clearinghouse transmits to Dept. of Revenue prior to the weekly Tuesday deadline (10 a.m.)



Day 8

- Dept. of Revenue loads Clearinghouse file Tuesday evening



Day 9

- Debtor who paid balance the previous Monday can now file tax refund (9 days later)



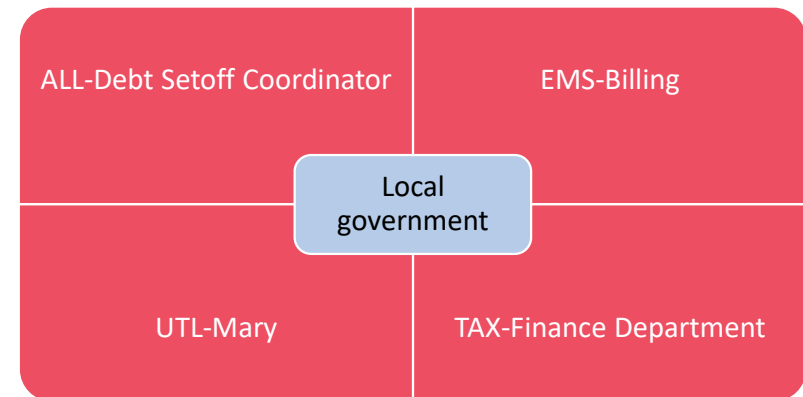
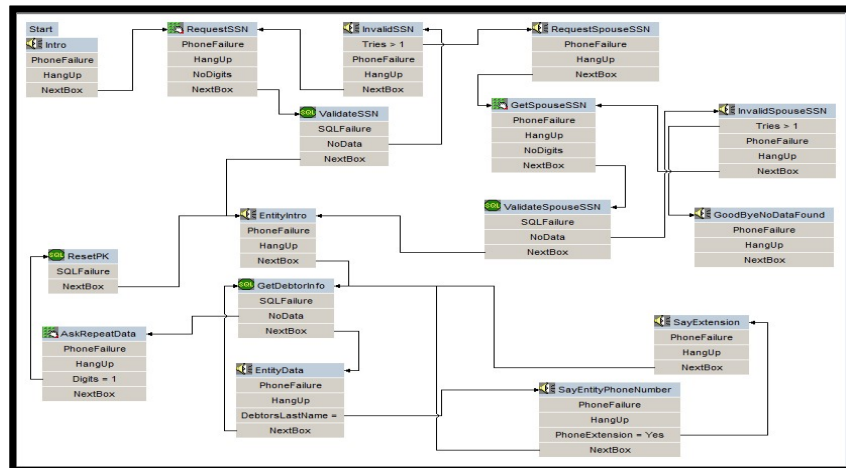
Day 15

- Debtor who paid balance the previous Monday can now claim a \$600+ lottery ticket

Interactive Voice Response (IVR)

- Debtor receives letter from N.C. Department of Revenue with local government toll free number (877) 843-0330 to find out who has submitted debts
- Local governments can list as many contacts as have debt types
 - Suggest a department/section or just first name

Debtors often do not listen to entire recording (listed at random)



Refunds and Surpluses (1 of 2)

- **REFUNDS are requested through NCACC or NCLM on behalf of the NC DEPARTMENT OF REVENUE**
 - Local government returns amount received (can restore debt amount)
 - NCACC/NCLM returns fee (if taken)
 - Department of Revenue returns \$5.00 fee
- **SURPLUS occurs when more than amount owed by debtor was taken by Dept. of Revenue and/or Education Lottery (old legacy systems don't check to see if taken already)**
 - Debtor files multiple tax refunds in short period of time
 - Debtor claims more than one lottery winning of \$600 or more in short period of time
 - Debtor pays debt too soon (even AFTER) filing tax refund/claiming lottery winning
 - Debt is setoff soon after debt expired (review before automatically refunding)
 - Surpluses (except \$15 fee only) provided in separate excel file with setoff information
 - No longer includes Department of Revenue name or address, although Lottery provides address
 - Verify before sending surpluses
 - Cannot apply surplus to other debts that haven't been given due process!

Refunds and Surpluses (2 of 2)

- Clearinghouse provides information regarding surpluses
- Excel file: *C/M-Surplus-yyyymmdd.xlsx*

| SSN | LAST NAME | FIRST NAME | INIT | SURPLUS AMOUNT | FEE | UNIQUE KEY | ADDRESS | CITY | STATE | ZIP | Dept |
|-------------|-----------|------------|------|----------------|-------|------------|------------------------|------------|-------|-------|------|
| ***-**-3210 | ANDERSEN | ALBERT | K | 283.00 | 15.00 | 26599 | 3892 HOLLOW PINE DRIVE | KNIGHTDALE | NC | 27545 | ANC |
| ***-**-8133 | CLARKE | ADA | E | 130.00 | 0.00 | 64194 | 6459 INDIGO BUNTING RD | RALEIGH | NC | 27604 | TAX |
| ***-**-6223 | WAELENS | ACHILLE | | 81.22 | 15.00 | 34017 | 1340 BARRISTER PASS RD | CHARLOTTE | NC | 27615 | UTL |

If a Lottery surplus – the address provided by the NCEL

- If a surplus-yyyymmdd.xlsx is provided, be sure someone downloads and researches
- Probably no need to refund the fee, if timing. However, if local government made an error, probably also need to refund Dept. of Revenue or Lottery \$5 fee

Email (1 of 4)

- **Main Distribution List:**

- Setoff Notification (NCDOR and/or NCEL)
- Weekly Import Status reports
- Workshop Reminders
- Participation Form Reminders
- Expired Debts Notification
- Year-end Instructions

Above emails now show ALL recipients – click REPLY if changes needed

- **Movelt Transfer Folder List:**

- File Upload Confirmation
- Transmit Password Expiration Notification

1 File Received

/Home/Sample NC Local Government
File Name
C999XMIT.txt

Regards,
NC Local Government Debt Setoff Clearinghouse

1 File Received

/Home/Sample NC Local Government
File Name
C999_settings_2307.txt

Email (2 of 4)

- **Movelt Transfer Folder:**
 - Password Expiration Warning (7 day warning before Locked, must be changed before able to connect)

Can change if
sign on as
admin within
7 days



Your Password Has Expired and Must Be Changed Now

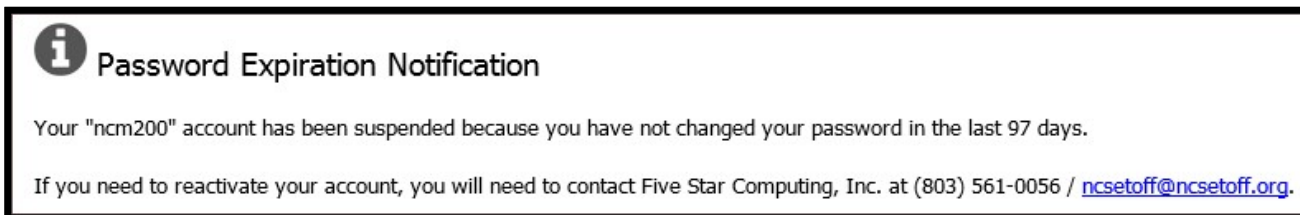
We require that passwords be changed every 90 days and your password has now expired. Your "ncm355" account will not enjoy full access to our system until you sign on with your old credentials and change your password.

If you do not change your password using this procedure in the next 8 days your "ncm355" account will be automatically suspended and you will not be allowed to change your password using your old credentials.

If you need assistance, please contact Five Star Computing, Inc. at (803) 561-0056 / ncsetoff@ncsetoff.org.

Client software users: Transmit password only – not login to software

- **Movelt Transfer Folder :**
 - Password Expiration Notification (7 day warning passed without change – account is locked and requires Clearinghouse reset)



Client software users: Transmit password only – not login to software

- **To update either or both of these email lists:**
 - send email to ncsetoff@ncsetoff.org with additions, edits or deletions OR request a list of either or both
 - If emails cease, ask your I.T. to whitelist:
 - ncsetoff.org

Clearinghouse Technical Support

- **Monday – Thursday: 8:30 a.m. to 5 p.m. - Fridays until 1 p.m.**
 - Live toll-free support: (866) 265-1668
 - Conference calls (3 way) with Dept. of Revenue, vendors, I.T., etc.
 - Free remote support using Cisco WebEx
 - Debtor Inquiries – current and past years (2018 – present)
 - Client Software Support includes these and more:
 - Change TRANSMIT password
 - Import ASCII/Excel files from internal and/or vendors
 - Generate notification letters and pdfs – STORED ONLY AT YOUR LOCATION!
 - Change Expiration and Compliance Dates, process Year-end clean-up
 - Install software, upgrades, provide instructions and training
 - Set-up and train new users
 - Transfer encrypted database to new server (certification keys maintained by Clearinghouse)

Five Star Computing to SCAC (6 of 7)

- Email addresses

| Bill Walsh | bwalsh@ncsetoff.org |
|--|--|
| Fran McClary | fmccclary@ncsetoff.org |
| Hannah Bryant | hbryant@ncsetoff.org |
| Requests for file imports, Transmit password reset, software installation, etc. | ncsetoff@ncsetoff.org customerservice@ncsetoff.org |

Contact Information

| Name | Contact Info |
|--|--|
| Matt Bigelow N.C. Association of County Commissioners Project Development Manager | matt.bigelow@ncacc.org www.ncacc.org (919) 715-4367 |
| Steve Dille N.C. League of Municipalities Chief Financial Officer | sdille@nclm.org www.nclm.org (919) 715-3941 |
| Bill Walsh Operations Manager NC Local Government Debt Setoff Clearinghouse | ncsetoff@ncsetoff.org www.ncsetoff.org (866) 265-1668 |
| Other Resources: N.C. Department of Revenue | (919) 814-1120 |
| NC Education Lottery | (919) 301-3531 or 301-3331 |
| Capital Management | (800) 222-3232 |