

North Carolina Local Government Debt Setoff Clearinghouse

Checklist for New Participants (www.ncsetoff.org/NewParticipantChecklist.pdf)

1. One-time documentation requirements: [http:// www.ncsetoff.org/forms.htm](http://www.ncsetoff.org/forms.htm)
 - a. Memorandum of Agreement *
 - b. Local Agency Certification* (if not a county or municipality)
 - c. Multiple Unit Rider *(if collecting for another local government)
 - d. Business Associate Agreement * (if collecting EMS or health debts)
 - e. Capital Management of the Carolinas Inter Transfer Fund
 - f. * - sign and mail to your NCACC or NCLM office
2. 2012 online Participation form: <http://www.ncsetoff.org/2012ParticipationForm.htm>
 - a. Submit online
 - b. Print, sign original and mail to your NCACC or NCLM office
3. Determine the method for submitting debts
 - a. Client software provided by the Clearinghouse (no charge)
 - b. Electronic file from billing system, vendor or internal I.T. staff: <http://www.ncsetoff.org/ASCIILayout.htm>
 - c. Excel : <http://www.ncsetoff.org/ExcelSample.xls>
 - d. Hardcopy forms : <http://www.ncsetoff.org/HardcopyDebtSubmission.pdf> (no charge < 100 debts)
4. Assemble the debt information to submit
 - a. Debts to individuals, not corporations
 - b. SSN or US Treasury assigned nine digit ITIN <http://www.irs.gov/individuals/article/0,,id=222209,00.html>
 - c. Last Name and First Name
 - d. Debts over \$50 (can be combined, do not combine any taxes with non-taxes)
 - e. Date Debt became delinquent
 - f. Compliance Date of each debt – 30 days or more beyond date the notification letter was sent
 - g. Expiration Date of each debt – minimum 10 years for taxes and 3 years for others (but consult your attorney)
5. Send notification letters to debtors being submitted: <http://www.ncsetoff.org/forms.htm>
 - a. Regular mail, not certified, to last known address
 - b. Keep an electronic copy of the letters sent for future verification, if necessary
 - c. The N.C. Local Government Debt Setoff Clearinghouse vendor, Five Star Computing, Inc. can assist with generating the notification letters (no charge)
6. Submit the debts to the Clearinghouse
 - a. ASCII and Excel users - contact the Clearinghouse for your secure website access information
 - b. Client software users – use the TRANSMIT-EXPORT TO CLEARINGHOUSE-DEBTOR INFORMATION
7. Reminders
 - a. Clearinghouse provides all of the following at no charge:
 - i. Conference calls (including with vendors), answer questions, review excel/ASCII file submissions for correct layout and make suggestions
 - ii. Computer support: install, configure, test using secure remote software
 - iii. Data entry (< 100 debts) for any type of debts, even multiple departments
 - iv. Generating required letters (local government will print, stuff, seal and mail)
 - b. Don't wait until January or February to submit debts, submit by previous November or December to be ready for upcoming tax year
 - c. Clearinghouse submits debts every Tuesday to the Department of Revenue and Education Lottery, not just during major tax season (January – April)