

Winter 2014: Year-End/New Year Edition

Volume 4: Issue 5

December 18, 2014

Reminders

- Final Setoff/Lottery File was December 16.
- Submit your online 2015 Participation Form NOW if not yet done
- New Municipalities and Housing Authorities—A Capital Management Trust account is required for participation, and only one account per local government!

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Year-End/New Year Issues —What, When, Why?

December is the best time to review existing debts and also submit new debts for 2015. Although it is getting late in the year, it isn't too late to send out the required notification letters. Debtors get 30 days to appeal or pay, before debts are sent to the Dept. 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 was Friday, December 12, 2014. The Department of Revenue will begin processing refunds around Monday January 12, 2015. So we suggest the notification letters be sent as soon as possible.

If you need help generating your letters, we can help. If you have an Excel file or need us to do your data entry, we can do a mail merge and send you the

letters via email. If you use our software, we can connect remotely to your computer and help you generate letters and even a pdf file to save as proof they were sent.

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

If you don't send updated files to us often, at least send us your latest 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 our software, click TRANSMIT-EXPORT to CLEARINGHOUSE-Debtor Information. ASCII/Excel users should submit an entire file and request a Purge and Reload, if possible. You DO NOT lose your priority if the UniqueID doesn't change.

What the Clearinghouse will do before sending the first file of 2015 to the Department of Revenue and Education Lottery:

- Delete all debts less than \$50
- Delete all Expired debts
- Delete all Rejected Names/SSNs from the Dept. of Revenue

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 a new tax year.

Reminders—By December 29, 2014 but Don't Delay

- Complete your [required annual participation form](#):
- Only ONE form is 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! This form must be received by December 29 or existing debts will NOT be submitted in 2015 until a signed form is received. Be

sure to have an official, like County Manager, Town Manager/Clerk, Mayor or Agency head sign the form.

- Check the [status of your 2015 Participation Form](#)
- If you DO NOT use our client software, complete your [Names, Department and Email list form](#): to list up to 10 people to receive four different types of emails. We will remove any current email

addresses not listed on the form. Be sure any I.T. staff and vendors are included.

Note; our software lets you manage emails. The admin is the only one that can enter and submit. Contact us if unsure how to do so.

Did you miss downloading any Setoffs in 2014? You may not always get our emails so we suggest you match any Capital Mgt deposits against any Setoff Reports/files. The 2014 Setoff Calendar is on the Information page of the website.

Compliance Date - the START date to begin sending to Dept. of Revenue/ Education Lottery. Expiration Date - the END date to send Both are required when submitting debts!

A Few More Important Reminders Before the Year Ends

The end of another year is quickly approaching but there are still some items left to do to prepare for the 2015.

Most local governments have completed their 2015 Participation form. If you only clicked Submit and did not print and mail a signed original it is getting late. Regretfully, we will delete all debts for local governments that fail to mail a signed original to the NCACC or NCLM. A fax or a scanned email does not comply. Remember, the Participation form is the only annual requirement so hopefully you understand we need an annual update.

This year the form references items in the Memorandum of Agreement that may have been done many years ago. It reminds you to adhere to requirements such as processing refund request from the Dept. of Revenue. There are also statements about security. If you are sending us Excel files you are aware of our encrypted software or our offer to do data entry for those with 100 or less debts.

The Clearinghouse will do the following before sending the first file of 2015 to the Dept. of Revenue and Educ. Lottery:

- Delete debts less than \$50
- Delete Expired debts
- Delete all Rejected Names/SSNs from Dept. of Revenue

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. Our IVR references all debts for an SSN, regardless of the amount, even \$0.00. But the only time we delete \$0.00 debts is at the beginning of a new tax year. So when you send us a \$0.00 debt that is no longer in our system, we don't add it. However, non-\$0.00 debts when changed to \$0.00 via a change or a setoff, remain for the rest of the year.

What to do before January 2, 2015?

- If using our software, run the Selective Report to determine debts that are \$0 and also debts less than \$50 (debts less than \$50

can be combined to reach \$50 or added to a debt over \$50). Do not combine TAX debts with any other type of debt

- Determine which of the above can be deleted, but be aware it will remove for ALL department codes
- Review your Expired Debts and determine if they should be modified or deleted

We recommend having a database of debts to start the new year that have the potential to be setoff. They must meet this criteria:

- Each debt be over \$50 (we DO NOT combine debts)
- Compliance Date (start date) must have passed
- Expiration Date (end date) must not have passed
- Must have a Last Name and First Name (not a business name)
- SSNs or ITINs only—no drivers license or employee numbers

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 15 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 [2013 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 —Rejected Debtors—Invalid SSN/Name

On Wednesday, December 17, the Clearinghouse sent email notifications with instructions and placed 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 2014.

Nearly 3,800 Names/SSNs were returned to the Clearinghouse at various intervals during 2014. 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 Friday, January 2, 2015.

These rejected debtors may have affected another local government during 2014. This is due to the fact that we combined ALL debts and submitted under this one SSN and Name. Since this SSN and/or Name was rejected no local government received 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.

Year-end Clean-up —Expired Debts—Available December 5

The Clearinghouse sent two separate Excel files, emails and instructions this year for **ONLY** those local governments with debts not \$0.00 that are already expired or expiring by December 31, 2014.

This year we sorted by department code which will allow for easier review. If the debts can be extended then do so. Our software has a simple but powerful way to globally update Expiration dates. Contact us if

we can assist you.

We will delete all expired debts around the 1st week of January 2015 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 with no chance to setoff as we don't send to the Dept. of Revenue. But you may still receive calls from the debtors as we list your information in our IVR.

If unsure whether any expired debts can be extended due to Statute of Limitations issues, refer to our [2013 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.

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

Interactive Voice Response (IVR) - be sure you're ready for 2015

The IVR is a dedicated computer system with eight phone lines that allow debtors to get information about local government debts. Once setoff, the debtor receives a letter from the Department of Revenue with our toll free number (877) 843-0330. They call and enter their SSN and will hear, 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 from a joint

tax return that has debt(s).

Reminders:

1. The IVR will not identify which local government received funds. Usually we haven't received the setoff file from the Dept. of Revenue or Education Lottery when the debtor receives the letter.
2. We can set-up different contacts and phone numbers for local governments if the

department code is provided. Only available to ASCII/Excel and software users. Not available for data entry participants.

We will use the information from the 2015 Participation form to determine if we need to contact you to get your IVR set-up or changes. We will begin calling or email by December 22. You can also send us an email with the details.



Remember to call and check the IVR for pronunciation and accuracy by entering an SSN for each department. Please do January 2, 2015. Contact us if we need to make modifications.

DEBT SETOFF CLEARINGHOUSE

N.C. Local Govt. Debt Setoff 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, Billie Mills and

Becca Walsh

(Customer Services)

Linda Kanefelt and Marcia Padgett

(Debtor Inquiry)

Drew Bryant

(Software Developer)

Rich Ware



North Carolina Association of County Commissioners

Website: <http://www.ncacc.org>

Contact: Scott Kauffman

Phone: (919) 715-2893

E-mail: scott.kauffman@ncacc.org



North Carolina League of Municipalities

Website: <http://www.nclm.org>

Contact: Wanda Veasey

Phone: (919) 715-2218

E-mail: wveasey@nclm.org

wveaseyncsetoff@ncsetoff.org

N. C. Department of Revenue

Setoff Debt Unit

(919) 814-1119

N. C. Capital Management Trust

(800) 222-3232

Client Software Version 2014 Update

Year-end Instructions:

- Following the download of the final setoff file of the year, December 16, it is recommended you do your own cleanup, starting around Thursday, December 18. Be sure you import your December 16 setoff file before executing these year-end procedures. Call us for questions/assistance.
- Before executing any of the following delete options, we suggest the Reports-Setoff and select the Calendar Year range, February 1, 2014 through December 16, 2014. Fiscal Year date ranges may also be selected for auditors or internal staff requirements. You may also want to do separate Setoff Reports for each of the twenty-two setoff dates. The [2014 Setoff Calendar](#) is on the Information tab of the website. Remember, your local government may not have received setoffs for all twenty-two setoff dates. Please check for Capital Management deposits that occurred soon after the setoff dates.
- Another option before executing the year-end cleanup functions is the Import/Export menu Excel Export option. This is a very detailed file to save before starting a new year. It takes quite awhile for lots of debtors but worth it. Start it before going to lunch or if you will be away from your desk for a period of time.
- We recommend local governments do one or more of these and then Transmit-Export to Clearinghouse-debtor Information by Friday, January 2, 2015:
 - Delete debts = \$0.00** (whether setoff or not) OR **debts = \$0.00 not setoff** (suggested at a minimum)
 - Delete debts less than \$50.00** (whether setoff or not) OR **debts < \$50.00 not setoff**
 - Delete Expired Debts OR Expired Debts = \$0.00 OR all Expired Debts < \$50.00**
- Only the Administrator can execute the above Year-end clean-up options.
- These options do ALL departments so discuss/inform the other department users.
- Note: the above will delete all history on these debtors and debts. If you want a clean and efficient database of only debtors you are attempting to collect for, the above options will do this.

Explanations:

- Ever wonder when you enter User Name and Password and click Login it takes awhile before the Menus are displayed? *Our program does some verifications first to ensure that the version you are using will execute with your data. If not, it will add any new data items so we do not have to connect to your SQL database which is often on a server and may require your I.T. or third-party vendor.*
- Experiencing any slowness or degradation since we converted you to the encrypted version? *The larger the number of debtors and debts the more this may be noticeable for various functions such as Quick View. This is because the program must decrypt SSNs in order to display them. In addition, Interest Accrual is another one that is significantly impacted.*

Tips:

- When signing on to the Client software, after entering User Name, click TAB to go to the Password, then hit the <ENTER> key twice, it works the same as clicking the Login button and is much quicker eliminating the mouse on the Login screen. We do it when we remote in to users for efficiency. Try it, it works.
- When attempting a TRANSMIT-IMPORT: setoffs, expired debts, rejected SSNs/names and a message appears: "No data files", this signifies that the password has expired and must be changed before the files can be accessed. In addition, the TRANSMIT-EXPORT functions will not function until the password is changed.