

# Winter 2013: Year-End/New Year Edition

Volume 3: Issue 5

December 3, 2013

## Reminders

- Submit your online 2014 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! Get your account if you haven't yet and provide the account number to the Clearinghouse.

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

December is the best time to review existing debts and also submit new debts for 2014. Although it is getting late in the year, there is still time to send out the required notification letters giving debtors 30 days to appeal, or pay, before debts are sent to the 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 is Friday, December 13, 2013. The Department of Revenue will begin processing refunds around Monday January 13, 2014. We suggest the notification letters be sent as soon as possible.

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

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.

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 2014 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 27, 2013 but Don't Delay

- Complete your required annual participation form: [www.ncsetoff.org/2014ParticipationForm.htm](http://www.ncsetoff.org/2014ParticipationForm.htm). 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 27 or existing debts will NOT be submitted in 2014 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 signed original form at [www.ncsetoff.org/Participants.htm](http://www.ncsetoff.org/Participants.htm).

If you DO NOT use our client software, complete your Names, Department and Email list form:

[www.ncsetoff.org/NamesDept&Email.htm](http://www.ncsetoff.org/NamesDept&Email.htm) 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.

**DON'T WAIT**—Submit your 2014 Participation Form and email information ASAP!



**Passwords to your secure folder must be changed at least every 90 days.**

**Compliance Date - the START date to begin sending to Dept. of Revenue/ Education Lottery.**  
**Expiration Date - the END date to send to Dept. of Revenue/ Education Lottery.**

**Both are required when submitting debts!**



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

## Passwords—So Important to Security and Privacy

By now, every user of the N.C. Local Government Debt Setoff Clearinghouse has either changed their password or has gotten their 14 day warning. So why are we requiring passwords to be changed? Because it is so important!

Important Reminders:

1. Passwords must be changed at least every 90 days and must not be one of the previous five.
2. An email reminder will be sent, within fourteen days, to

all recipients who receive an Upload Confirmation email.

3. Even though several people may receive the expiration warning, **ONLY** one person needs to change the password.
4. While changing passwords, the email recipient list should be reviewed. Add or modify if necessary but **DO NOT** remove ncsetoff@ncsetoff.org
5. One final item to check while changing passwords is

the Upload/Download wizard, if using Internet Explorer.

6. Detailed instructions, in pdf form, are available for changing passwords, modifying email recipients and the Upload/Download wizard.
7. If you use our software the password must be changed by the Administrator and should be tested.

**Contact us if you need assistance.**

## Compliance Date—Expiration Dates—What are they?

**Compliance Date**—the date you want the Clearinghouse to BEGIN submitting the debt to the Department of Revenue and Education Lottery. It is similar to post-dating a check, it is not sent to the Department of Revenue/Lottery until that day passes.

FAQs:

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

recommend the letters be sent first and the Compliance Date be at least 30 days away. For example: letters sent November 30 could have a Compliance Date of December 30.

2. Can the Compliance Date be a date in the past, even years ago, such as the date the debt became delinquent? Yes, as long as the letter has been sent and 30 days have passed before the debt is

sent to the Clearinghouse.

**Expiration Date**—this is the date in the future you want the Clearinghouse to no longer submit the debt to the Department of Revenue and Education Lottery. Refer to the Statute of Limitations article in the [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—Expired Debts—Available December 5

The Clearinghouse will send email notifications with instructions and place an Excel file in secure folders for **ONLY** those local governments with debts not \$0.00 that are already expired or expiring by January 1, 2014.

The Department code associated with the debt is provided which will allow for sorting and distribution. If the debts can be extended then do so. Our software has a simple but pow-

erful 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 2014 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.

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.**

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

On Thursday, December 12, the Clearinghouse plans on sending email notifications with instructions and placing an Excel file in secure folders for ONLY those local governments with debtors/debts that were rejected by the N.C. Department of Revenue during 2013.

Nearly 3,500 Names/SSNs were returned to the Clearinghouse at various intervals during 2013. It may be a business name with an SSN when it must be the individual's first and last name. Other times it is

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

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

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

send to us before the end of December.

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

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



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

## Like Your Software? You Can Keep Your Software!

We will never send you a notice cancelling your use of our software due to limited number of debtors or debts or activity. However, we do want to be sure every local government is using our encrypted version by the end of December.

On July 16 we began migrating all current users of our software to a more secure encrypted version. All SSNs, usernames and passwords are

now encrypted. Migration status as of Dec. 3:

- Counties: 57 of 60
- Agencies: 14 of 14
- Municipalities: 147 of 160
- Total: 200 of 234 (85%)

We have migrated several from using Excel to our encrypted software. Several other municipalities have moved from Excel to the Clearinghouse doing the

data entry. This allows a local government to eliminate the need to retain Social Security Numbers electronically. Data entry forms are completed manually and faxed to the Clearinghouse.

We hope to eventually migrate local governments from transmitting Excel files and either go to our software or to us doing data entry. But we will continue to allow Excel files to be imported into our software.

**Note: DO NOT upgrade to Microsoft Internet Explorer II as our secure site software is not yet compatible. Back down to IE 10.**

## Interactive Voice Response (IVR) - be sure you're ready for 2014

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 when the debtor receives the letter.
2. We can set-up different contacts and phone numbers for local governments if the department code is pro-

vided. Only available to ASCII/excel and software users. For data entry participants we will need to be able to identify from the account number.

We will use the information from the 2014 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 12.



**Remember to call and check the IVR for pronunciation and accuracy. Check all departments if applicable, by December 27. 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, Billie Mills and  
Brandon Walsh  
(Customer Services)  
Linda Kaneft and Marcia Padgett  
(Debtor Inquiry)  
Drew Bryant  
(Software Developer)  
Rich Ware  
(Network Admin./Security)



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

N. C. Department of Revenue  
Tax Care Assistance  
(919) 814-1118

N. C. Capital  
Management Trust  
(800) 222-3232

## Client Software Version 2013 Update

### New Version (2013.12) will be available by Thursday, December 12, 2013

- For those using the encrypted version (2013.07 or newer) this update is needed to perform all of the Year-end features: Deleting \$0.00 debts, Debts < \$50.00 and Expired Debts. Users with version 2013.06 can run the year-end clean-up options and do not need the upgrade.
- This is not a mandatory upgrade. But **ALL USERS SHOULD UPGRADE TO THIS LATEST VERSION AS SOON AS POSSIBLE!** The instructions for installing are now being generated and will be emailed to all current users no later than Thursday, December 12. Please forward the email instructions to your I.T. staff if they will be performing the upgrade and/or to the other users, as we may not have email addresses for all users.
- In addition, the online help system and pdf will be updated to match the software no later than Monday, December 16.

### Highlights of Bug Fixes:

- 1) in letter creation that may not have listed in the total of all debts in the letter; 2) may have to be Admin to run Interest Accrual; 3) may allow duplicate debtors if doing ADD DEBTOR and debtor already existed; 4) Excel Export now has the User name who made the transaction

### Year-end Instructions:

- Following the final setoff file of the year, December 10, it is recommended you do your own cleanup, starting around Friday, December 13. Be sure you import your December 10 setoff file before executing the year-end procedures.. Call us for questions or assistance.
- Do one or more of these and then Transmit-Export to Clearinghouse-debtor Information by Dec. 28
  1. **Delete debts = \$0.00** (whether setoff or not) OR **debts = \$0.00 not setoff** (suggested at a minimum)
  2. **Delete debts less than \$50.00** (whether setoff or not) OR **debts < \$50.00 not setoff**
  3. **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
- Selected options does ALL departments

### 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.*
- 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 has been significantly impacted.*

### Tips:

- When signing on, 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