

# Fall 2013—Post-Workshop Edition

Volume 3, Issue 4

October 1, 2013

## Reminders

- Submit your online 2014 Participation Form NOW
- Submit your online Names, Email Addresses and Notification list selections NOW if any changes
- Send Notification letters to new debtors if 60 days delinquent
- Start thinking about cleaning-up your data for the new year
- Request an excel file of all of your debts

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## Seven Training Workshops Completed in September

437 people attended the annual September workshops:

- Washington (74)
- Wallace (47)
- Raleigh (76)
- Asheboro (76)
- Hickory (98)
- Hendersonville (41)
- Wilmington (25) Housing Authorities

Presenters at one or more:

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

- Five Star: Bill Walsh

Two sessions:

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

If you did not attend, there are handouts in pdf format at <http://www.ncsetoff.org/training.htm>:

1. New Attendees Start-up
2. New Attendees Technical
3. All Attendees
4. All Attendees Intro/Addendum—which covers items that were not discussed due to time constraints
5. New Attendees Start-up for Housing Authorities

The next training workshops will be in September 2014. Dates and locations will be set by June 2014. However, if you need to set-up a conference call to discuss any issue please call us toll-free at (866) 265-1668.

Thanks again to the hundreds who attended again this year. There were many attending for the first time but most are already very knowledgeable and proficient with debt setoff and continue to attend each year. We know this program has been very important to your local government so we try to cover any changes and discuss future plans. We will always demonstrate new enhancements to our software. If you have any comments or suggestions please send an email to [ncsetoff@ncsetoff.org](mailto:ncsetoff@ncsetoff.org)

## Recap of Important Workshop Agenda Items

- 2014 Participation Form is ready to be completed. Must be done by mid-December to ensure your existing debts roll over and new debts are submitted to the Department of Revenue and Education Lottery.
- Only one form is needed for each county, agency or municipality.
- Housing Authorities can participate if submit the Rider and agree to remove their deposits within three days from Capital Management Trust.
- ASCII/Excel participants—click here to submit your names, departments, email addresses and requested email notifications, if new or changes.
- Client Software users can manage the above in the software in Tools-Administrator-User Setup. Remember to select Export Users and Transmit-Export-User Information.
- If submitting via Excel, consider moving to our software or let us do your data entry. Call us to discuss the best method as they are both more secure than submitting Excel files with Social Security Numbers.

**Statutes are more involved with how far BACK to submit, not going forward! Debts remain active if continue to send invoice notices.**

**Two spouses filing a joint tax refund may result in a local government only receiving a partial amount of the debt.**



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

## Statute of Limitations (Debt Expiration Date)

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

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

Other attorneys have opinions that if the debtor does not appeal within 30 days after receiving the required notification letter then debts do not expire. But if appealed within 30 days then the statute may apply—can go 10 years back for taxes and 3 years back for any other type of debt.

Both the N.C. Association of County Commissioners and the League of Municipalities

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

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

Don't just assume you have to expire all debts after 3 years!

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

Cindy Honeycutt from the Department of Revenue provided the following scenario of a joint tax refund using proration:

- Husband's withholding: \$1,000.00 (67% of joint amt.)
- Wife's withholding: \$500.00 (33% of joint amt.)
- Total withholding: \$1,500.00

- Joint refund: \$2,000.00
- Husband's portion of refund: \$1,340.00 (67%)
- Wife's portion of refund: \$660.00 (33%)

So if a debt was submitted in the wife's name by a local government for \$680, the local government would receive \$640.00. A total of \$660.00 was setoff from her joint refund with \$15 going to the

Clearinghouse and \$5 to the Department of Revenue.

The remaining debt amount would be \$40 (\$680-\$640) which is less than \$50 and would no longer be sent to the Department of Revenue for future setoff.

We have heard of debtors contacting a local government asking why they only took a portion of their refund. This explains how that could occur.

## Need an Excel File of All Debts? Just Make A Request

1) How would an excel file of all of your debts help?

**It can be reviewed to ensure all desired debts are included and those no longer needed can be deleted.**

2) What information is included? **SSN, Name, Address, City, State, Zip, Debt Amount, Compliance Date, Expiration Date, Account Number, Unique ID,**

**Agency Code, Department, Setoff Amount and Setoff Date. Let us know if no SSN is needed or if last four is enough.**

3) Is it in a format that can be re-submitted back to the Clearinghouse once edited? **It has all of the information but is in a different order and needs to be modified.**

4) Can an excel file of just one department be created? **Yes,**

**just let us know the department.**

5) Can the excel file be emailed? **No, it will be placed in your secure folder.**

6) How to Request an Excel File? **Send an email request to: [ncsetoff@ncsetoff.org](mailto:ncsetoff@ncsetoff.org)**

**Tip: our Client software can export your own Excel file, all or selected departments.**

## Security—Our Number One Priority

### Emails

- Don't be a victim of a phishing. **Phishing** is the act of attempting to acquire information such as usernames, passwords, and credit card details (and sometimes, indirectly, money) by masquerading as a trustworthy entity in an electronic communication. Communications purporting to be from popular social web sites, auction sites, banks, online payment processors or IT administrators are commonly used to lure the unsuspecting public. Phishing emails may contain links to websites that are infected with malware. Phishing is typically carried out by email spoofing or instant messaging, and it often directs users to enter details at a fake website whose look and feel are almost identical to the legitimate one.
- A phishing incident is how the breach of more than 6 million people at the S.C. Dept. of Revenue occurred.
- Most breaches are caused by something an employee did, usually by accident, not external hacker.
- The Clearinghouse will NEVER send an email with an attachment other than a pdf. It will be a newsletter, registration form or instructions. Never will an .exe or .zip be attached!
- The only possible email extensions will be @ncsetoff.org or @fivestarcomputing.com
- Never send a social security number via unsecured email!
- Never attach a file with social security numbers and send via unsecured email!

### Protect Your Computers

- Be sure you have current

virus protection, anti-spyware/malware protection along with firewalls on the network.

- If you receive a new workstation be sure your debt setoff information is moved to your new one and securely removed from the old one.

### Protect Secure Data

- Using Excel? Consider letting us do your data entry, then no need to store SSNs electronically at your site. Or use our software if lots of debts and we encrypt the SSNs and other critical information.
- Be careful with excel files downloaded from your secure folder. Consider deleting the SSN column before printing and/or saving.
- Since files submitted by local governments are only processed over the weekend, upload files to your secure folder only on Friday.
- When setoff files are placed in your secure folder immediately download only those needed and delete from the secure folder. Otherwise they remain for 10 days. They can always be restored by the Clearinghouse if needed.

### Passwords

- The Clearinghouse is now requiring smart passwords to be changed every 90 days. A minimum 12 characters is required and none of the previous five passwords may be used.
- An email reminder will be sent to all email addresses in the upload/download secure folder list fourteen days from the password expiration date.
- Local governments can proceed with changing at any time before they begin expiring between mid-October and early December.
- To change the password requires signing on to your secure folder and clicking [My Account](#) which appears at the top right beside [Sign Out](#)
- Use the suggested password or create your own according to the seven requirements that will be listed.
- While changing the password, review and make any necessary modifications to the Email Notifications. The emails listed will receive an email notification when a file is uploaded. Note: do not remove the ncsetoff@ncsetoff.org email address!
- One more important function to check while changing passwords and reviewing/editing your Email Notification list is to edit your Upload/Download Wizard Settings to the latest version, It should be Version 7.5.1.0.
- Contact the Clearinghouse if you need any assistance changing your Password, Email Notifications and/or Upload/Download Wizard settings.
- If you use the Client Software you will have to enter (or copy-n-paste) the new password into the Tools-Administrator-Account Information Smart Password field, **Note:** only users of versions 2013.07, .08 or .09 can enter a minimum 12 character Smart Password. Users of versions prior to 2013.07 need to upgrade to at least 2013.09 BEFORE changing passwords.

**Beginning in 2014 the Clearinghouse will make the following security protection changes:**

- 1) **provide only last four digits of SSN in all Excel files after a setoff**
- 2) **provide the entire nine digit SSN in only the setoff.txt (Client software) and match.dat (ASCII).**

**Check with your I.T. and/or vendors/third parties to see if the SSN can be omitted from the match.dat file. Is last four, debtor name, account number and Unique ID enough to determine the proper debtor. If so, let us know and we will show only last four of SSN.**

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)

Drew Bryant

(Software Developer)

Linda Kanefit and Marcia Padgett

(Debtor Inquiries)

Rich Ware

(Network Admin./I.T Mgr.)



North Carolina Association of  
County Commissioners

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

Contact: Lisa Nolen

Phone: (919) 715-4362

E-mail: [lisa.nolen@ncacc.org](mailto:lisa.nolen@ncacc.org)



North Carolina League of  
Municipalities

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

Contact: Wanda Veasey

Phone: (919) 715-2218

E-mail: [wveasey@nclm.org](mailto:wveasey@nclm.org)



N. C. Department of Revenue  
Debt Setoff Unit  
(919) 814-1119

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

## Client Software Version 2013 Update

### Reminders/Notifications:

- We can assist you in printing your notification letters and saving a pdf version
- Those using version 2013.06 or older need the upgraded version 2013.09
- All workstations must convert, if server is updated, older versions will not connect
- How to tell which version you are using?

- 2013.06 or older icon:  - 2013.07 and newer icon: 

### Upgrade Status:

- Number of Local Governments Converted: 127 (54%)
  - Counties: 35 Agencies: 10 Municipalities: 82
- Number of Local Governments Remaining to be Converted: 106 (46%)
  - Counties: 23 Agencies: 4 Municipalities: 79

### Upgrade Process:

- Clearinghouse will work with your I.T. to upgrade the file server and all workstations
- The process normally takes less than 30 min. on the server and 15 min. per workstation
- Clearinghouse sets a new password to the local government's secure folder which is now under the 90 day change and must be changed by the user again when the 90 days are up
- Clearinghouse changes the Admin password and all users that were less than 12 characters

### New features of Versions 2013.07—.09:

- All instances of the following types of data is now encrypted in the database: SSN, Usernames, Passwords and web link (URL) to the secure website
- Passwords changed from a maximum 8 characters to a maximum 20 characters
- The administrator can set each user to have one of three settings regarding Social Security Numbers (SSN) for the online View and Print:
  - All nine digits; Last four of SSN; No digits of SSN

### Implementation of Updated version:

- Emails, newsletters and phone calls have been completed over the past three months explaining the need and the process
- If using a version 2013.06 or older and have not been contacted, please call or email the Clearinghouse so we can schedule
- We would like to convert all existing users of 2013.06 or older by December 31, 2013
- Current users of ASCII/Excel that would like to use our new Client Software needs to complete the online request at <http://www.ncsetoff.org/SoftwareUpgradeRequest.htm>