

# North Carolina Local Government Debt Setoff Clearinghouse

## Checklist for New Participants

[\(www.ncsetoff.org/NewParticipantChecklist.pdf\)](http://www.ncsetoff.org/NewParticipantChecklist.pdf)

1. One-time documentation requirements: <http://www.ncsetoff.org/forms>
  - Memorandum of Understanding
  - Local Agency Certification\* (if not a county or municipality)
  - Multiple Unit Rider\* (if collecting for another local government)
  - Business Associate Agreement \* (if collecting EMS or health debts)
  - Housing Authority Rider\* (if a Housing Authority)

The above go to your organization: NC Association of County Commissioners (Matt Bigelow) or NC League of Municipalities (Steve Dille) – contact information at <http://www.ncsetoff.org/contact>
2. 2026 online Participation form: <https://form.jotform.com/252046190554959>
  - Complete and Submit online
3. Determine the method for submitting debts:
  - **Client software provided by the Clearinghouse:**
    - i. Complete this form: <https://form.jotform.com/252263642168963>
    - Electronic file from billing system, vendor or internal I.T. staff:  
<https://www.ncsetoff.org/sites/default/files/uploads/ascii-unicode-file-layout.pdf>
    - Excel into Client software:  
<\\Sqlsetoff\\setoff\\NC\\Documents\\Forms\\excelsampleimport.pdf>
    - Hardcopy forms: (for local governments starting with 50 or less debts)
      - i. Must convert to our client software once reach 100 debtors and/or debts)
      - ii. Non-tax debts:  
<\\Sqlsetoff\\setoff\\NC\\Documents\\Forms\\HardcopyDebtSubmission-NonTax.pdf>
      - iii. Tax debts:  
<https://www.ncsetoff.org/sites/default/files/uploads/participants/hardcopydebtsubmission.pdf>
4. Assemble the debt information to submit:
  - Debts to individuals, not corporations (although the statutes allow, the NC Dept. of Revenue does not) with debts that have an activity (invoice/billing statement within 10 years for taxes, three years for other debts)
    - i. Debts must be 60 days delinquent and then a due process letter must be sent to last known address
    - ii. Debts must be \$50 or more
  - Social Security Numbers (SSNs) or US Treasury assigned nine digit ITINs is required. We cannot collect without. Federal tax IDS, drivers licenses do not work

<http://www.irs.gov/Individuals/General-ITIN-Information>

- Last Name (with suffix if available) and First Name (with middle initial if available)
- Debts over \$50 (can be combined, do not combine any taxes with non-taxes)
- Compliance Date of each debt – 30 days or more beyond date the notification letter was sent
- Expiration Date of each debt – when want to stop attempt to collect, may be many years in the future (see Statute of Limitations in a past Newsletter)  
<http://www.ncsetoff.org/news>
- Account Number
- Type of debt: UTL, TAX, EMS, etc.
  - i. Any type of debt may be submitted but in a separate Excel file, may be combined in an ASCII file if not using our client software

5. Send notification letters to debtors being submitted: <http://www.ncsetoff.org/forms>

- Regular mail, not certified, to last known address
  - i. If receive returned mail with new forwarding address, send to the new address
- Keep an electronic copy of the letters sent for future verification
  - i. The N.C. Local Government Debt Setoff Clearinghouse vendor, SC Association of Counties, Inc. can assist with generating the notification letters (no charge) if you have SSNs and/or ITINs. There is a template to do your own letters, if preferred or no SSNs/ITINs.

6. Submit the debts to the Clearinghouse

- ASCII users - contact the Clearinghouse for your secure website access information
  - i. Can be imported into our client software
- Excel – create file in required layout on <http://www.ncsetoff.org/forms>
  - i. Can be imported into our client software
- Client software users – use the TRANSMIT-EXPORT TO CLEARINGHOUSE-DEBTOR INFORMATION
- We will do your data entry at no cost for 50 or less debtors/debts if you have SSNs/ITINs. Must convert to our software once reach 51 debtors or debts

7. Reminders

- Clearinghouse provides all of the following at no charge:
  - i. Conference calls (including with vendors), answer questions, review excel/ASCII file submissions
  - ii. Computer support: install, configure, test using secure remote software
  - iii. Data entry (< 50 debts) for any type of debts, even multiple departments
- Don't wait until January or February to submit debts, submit by previous November or December to be ready for upcoming tax year
- Clearinghouse submits debts every Tuesday to the Department of Revenue and Education Lottery, not just during major tax season (January – April)

8. Additional reference information:

- Frequently asked questions: <http://www.ncsetoff.org/faqs>