

# 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](https://www.ncsetoff.org/sites/default/files/uploads/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](https://www.ncsetoff.org/sites/default/files/uploads/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>