

North Carolina Local Government Debt Setoff Clearinghouse

Checklist for New Participants

(www.ncsetoff.org/NewParticipantChecklist.pdf)

1. One-time documentation requirements: <http://www.ncsetoff.org/forms.htm>
 - 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)
2. 2024 online Participation form: <http://www.ncsetoff.org/2024ParticipationForm.htm>
 - Complete and Submit online
3. Determine the method for submitting debts:
 - Client software provided by the Clearinghouse
 - Electronic file from billing system, vendor or internal I.T. staff:
<http://www.ncsetoff.org/ASCIILayout.htm>
 - Excel into Client software: <http://www.ncsetoff.org/ExcelSample.xls>
 - 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: <http://www.ncsetoff.org/HardcopyDebtSubmission-NonTax.pdf>
 - iii. Tax debts: <http://www.ncsetoff.org/HardcopyDebtSubmission-Tax.pdf>
4. Assemble the debt information to submit:
 - Debts to individuals, not corporations with debts that have been notified/billed within 10 years for taxes, three years for other debts
 - Social Security Numbers (SSNs) or US Treasury assigned nine digit ITINs is required. We cannot collect without.

<http://www.irs.gov/Individuals/General-ITIN-Information>
 - Last Name and First Name
 - Debts over \$50 (can be combined, do not combine any taxes with non-taxes)
 - Date Debt became delinquent
 - 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, December 8, 2016)
<http://www.ncsetoff.org/news.htm>
5. Send notification letters to debtors being submitted: <http://www.ncsetoff.org/forms.htm>
 - Regular mail, not certified, to last known address
 - Keep an electronic copy of the letters sent for future verification, if necessary

- The N.C. Local Government Debt Setoff Clearinghouse vendor, Five Star Computing, 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
 - 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 100 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.htm>
 - Information handout pdf: <http://www.ncsetoff.org/2023WorkshopInformation.pdf>