

AIC TRECs Debt Setoff Clearinghouse Requirements Checklist



1. Execute the documentation requirements:
 - Memorandum of Understanding: The MoU between participating units of local government and the AIC clearinghouse is an agreement attesting the unit of local government's desire and intention to participate in the TRECs program.
 - Registration/Participation form: The registration/participation form provides the clearinghouse with local government contact information for debtor questions and program coordination.
2. Determine the method for submitting debts
 - Debt records will need to be submitted in the appropriate file layout with two options available:
 - i. ASCII with each column-delimited by pipe(|). The file extension should be .TXT.
 - ii. Excel (version 2010 or later). The file extension should be .xlsx.

Please see the file layout requirements on the AIC website.

3. Assemble the debt information to submit to the clearinghouse
 - Any debt over \$25 is eligible excluding those under bankruptcies, settlements, litigations, or garnishments
 - Only debts to individuals and not corporations, businesses, partnerships, etc.
 - Last Name, First Name, and Middle Initial or suffix if available or a combined field that the clearinghouse will parse on behalf of the local government
 - Debtor's last known address
 - Multiple debts for the same debtor are submitted individually if at least \$25 or more
 - Multiple debts less than \$25 for the same debtor can be combined to meet the \$25 minimum or added to any single debt more than \$25

This information will be used by the clearinghouse to verify the debtor, parse combined names, flag any debtors who are deceased, and locate debtors' social security numbers. Parsed names and SSN will be used by the Indiana Department of Revenue to match debtors against income tax refunds.

4. Submit debts to the clearinghouse via the secure login and upload clearinghouse process; link is provided at the AIC website
 - Debts submitted by early January will benefit from the earliest refund match opportunities in the most recent tax year but files can be submitted at any time thereafter.
 - Subsequent files to refresh the initial debt files as needed may be submitted to reflect any debtor payments. Files must be received by the clearinghouse by close of business on Thursdays, in order to provide updated files to IDoR by the following Monday.
 - Each subsequent file will rewrite in its entirety the earlier file submitted so all existing and debt records should be included with each refresh.
5. IDoR will notify clearinghouse of successful matches and the clearinghouse will send a file to the local unit. The local unit will then send the initial debtor notification letter.
 - Statutorily, a debtor may protest a proposed tax refund set off by submitting a written objection to the fiscal officer of the unit of local government not later than thirty (30) days after the notice.
 - Previous notification requirements may no longer be applicable upon passage upon of HB1262.
6. Finalize debt amounts upon notification from the clearinghouse of successful matches and resolve any debtor protest as needed.

Reminders

- The county board of commissioners should approve county participation in the program
- It is free for the unit of local government to participate, however the participating entity is responsible for the initial debtor notification letters
- The clearinghouse provides technical assistance through email and a toll-free helpline