



## AIC TRECs Debt Setoff Requirements Checklist

1. One-time documentation requirements:
  - Memorandum of Understanding: The MoU between participating units of local government and the AIC clearinghouse is an interlocal agreement attesting the unit of local government's desire and intention to participate in the TRECs program.
2. 2018 Participation form: Found on the AIC website. The participation form will give the clearinghouse contact information for any debtor questions and coordination with the program.
3. 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. The file extension should be .xlsx.

Please see the file layout information in this packet as well as on the AIC website.

4. Assemble the debt information to submit
  - Debts to individuals, not corporations or businesses
  - Last Name, First Name, and Middle Initial or suffix if available
  - Debtor's last known address
  - Single debts at least \$25 or more
  - Smaller debts under the same debtor can be combined to meet the \$25 minimum

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

5. Send notification letters to debtors, sample debtor notification letter available on the AIC website
  - Mailed to last known address

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.

6. County must be a member of TrustINDiana: <https://www.trustindiana.in.gov/>
  - TrustINDiana allows local units of government (e.g., counties, municipalities, school corporations, townships, and other units of local government) as well as the State of Indiana to invest in a common pool of investment assets that preserves the principal of the public's funds, remains highly-liquid, and maximizes the return on the investment.
  - Once a debtor's refunds have been successfully setoff, the Indiana Department of Revenue will disperse a lump sum of funds to the Trust. The Trust will then deposit the funds into the claimant unit of local government's TrustINDiana account under the direction of the AIC TRECs clearinghouse.



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7. Submit the debts to the Clearinghouse by mid-January in order to collect from the earliest refund match opportunities in the most recent tax year. You may refresh your records with interest payments on existing debt or submit new debts regularly. The Indiana Department of Revenue runs matches regularly. You will receive notification and an easy-upload reconciliation file for your records.
8. Reminders
  - The county board of commissioners must 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 a toll-free helpline