

Agency Setoff

General Introduction

Chronology

- **1982**

Refund Interception for State Agencies Wis. Stats. 71.93

- **1995**

Refund Interception for County and Municipal governments
Wis. Stats. 71.935

- **1997**

Added parking tickets as allowable debts

- **1999**

Total Collections: \$12,249,811 for State Agencies and
\$147,887 for Counties and Municipalities

Chronology

- **2000**

- 15 State Agencies and 16 Counties and Municipalities enrolled as system users

- Total dollars setoff: \$ 22,415,369 for State Agencies and \$344,628 for Counties and Municipalities

- **2002**

- IRS is authorized to refer federal income tax debts for refund interception.

- **2003**

- 16 State Agencies and 147 Counties and Municipalities enrolled as system users

- Total dollars setoff: \$18,862,963 for State Agencies, \$7,776,975 for Counties and Municipalities, and \$1,677,251 for the IRS

Chronology

- **2005**
 - Authority to charge debtors the administrative fee
 - Ability to include property taxes as allowable debts
 - Authorized vendor payments to be applied to debts certified under 71.93 and 71.935
 - 18 State Agencies and 289 County and Municipalities enrolled as system users
 - Total dollars setoff: \$20,705,351 for State Agencies, \$12,948,285 for County and Municipalities, and \$805,222 for the IRS

Chronology

■ 2007

- Agency Setoff re-engineering project implemented in August
- New income processing system implemented in November
- 26 State Agencies and 633 County and Municipalities enrolled as system users
- Total dollars setoff: \$20,045,988 for State Agencies, \$19,141,582 for Counties and Municipalities and \$2,019,317 for the IRS

Chronology

■ 2008

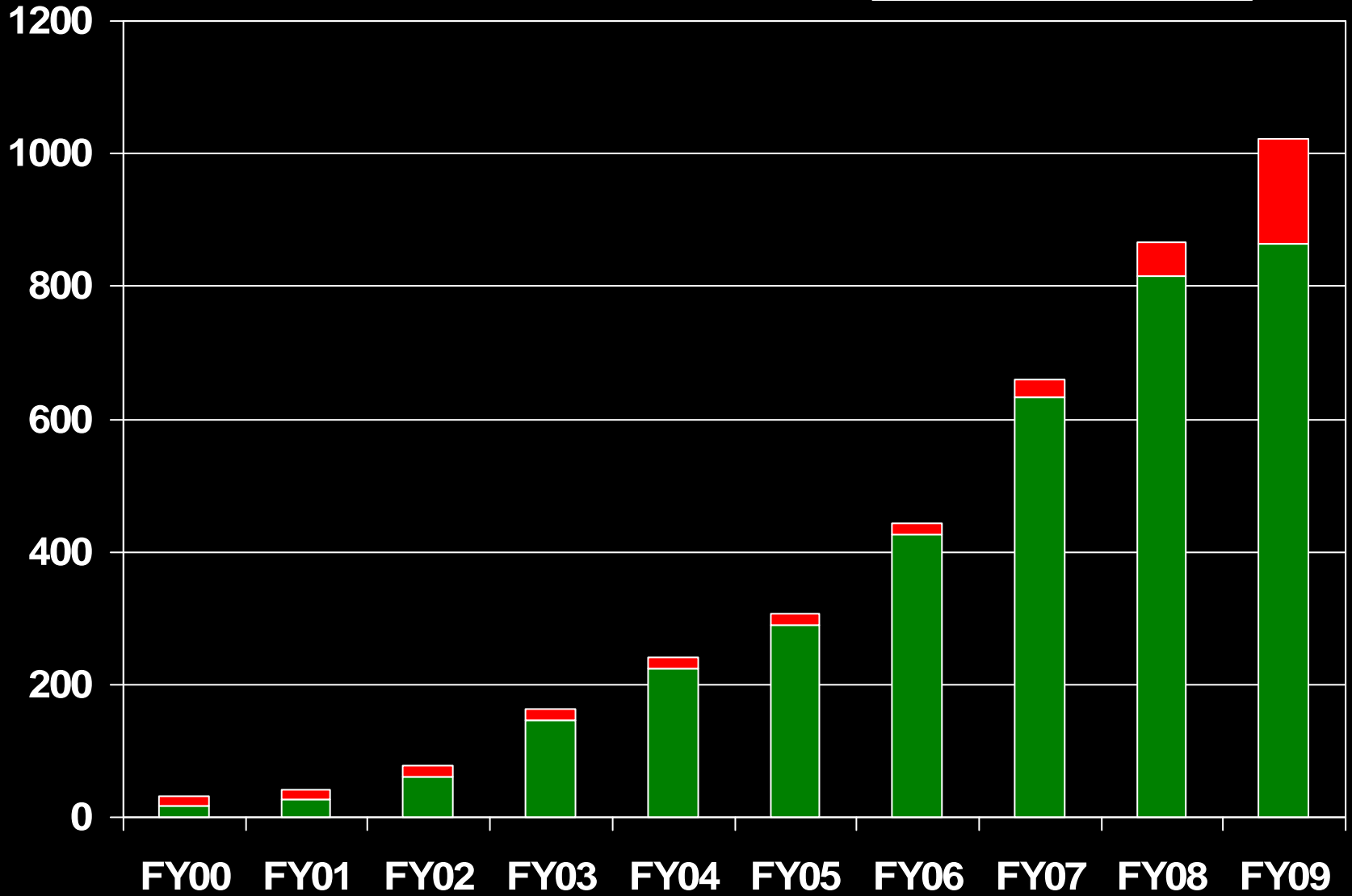
- Tribal governments authorized to certify debts for refund interception Wis. Stats. 73.03(52n)
- 738 State Agencies and 50 County and Municipalities enrolled as system users
- Total dollars setoff FY08: \$33,706,060 for State Agencies, \$25,143,922 for Counties and Municipalities and \$2,938,675 for the IRS
- FY08 - \$61,788,637

Chronology

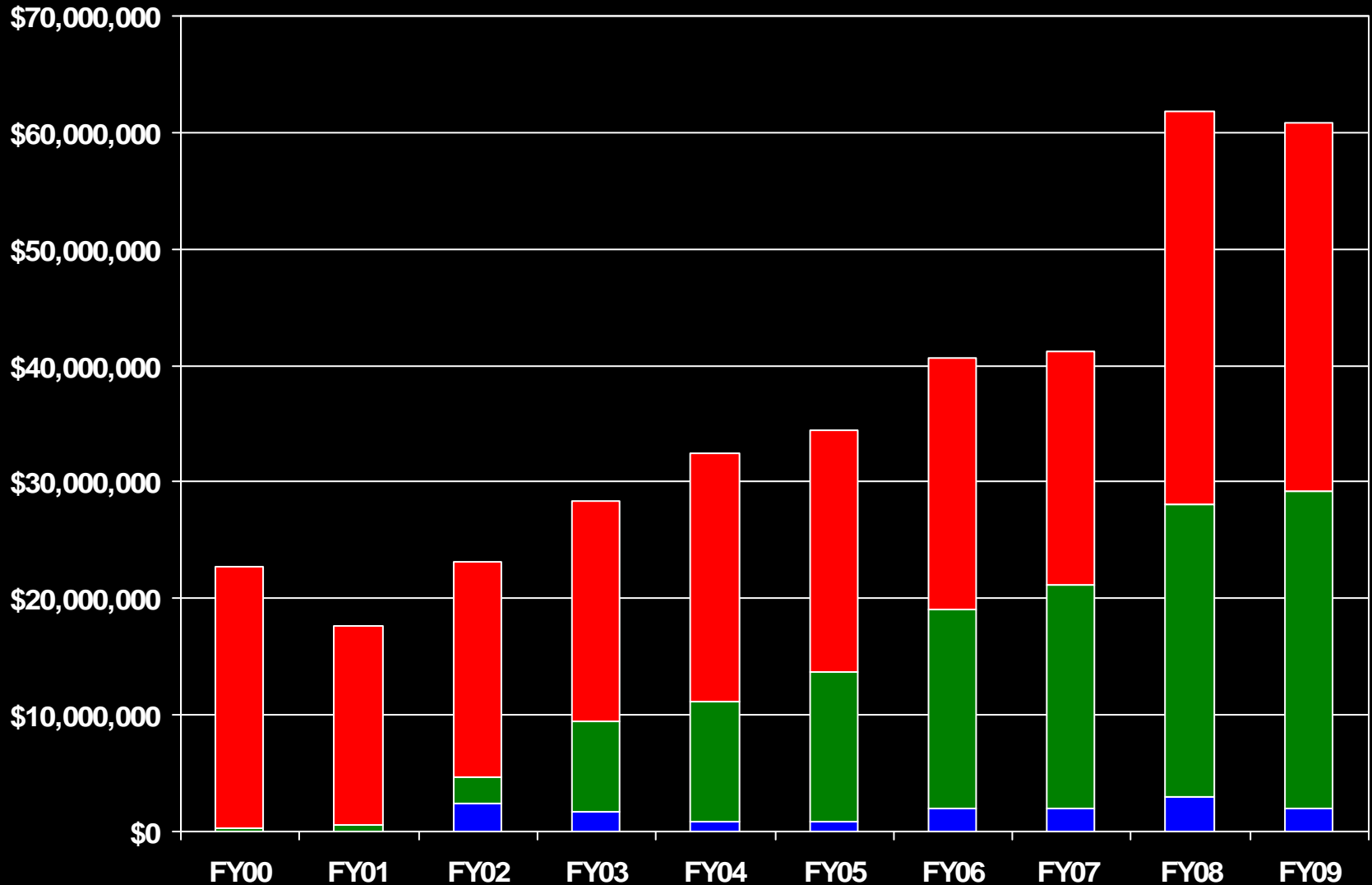
■ 2009

- Other states authorized to certify debts for refund interception Wis. Stats. 73.03(52m)
- 1027 Agencies and 2020 enrolled as system users
- FY09 - \$60,794,827
- July Newsletter announces next version of Agency Setoff project dates: Early 2010-Late 2010
- Balance Verification eliminated 10-1-09

AGENCIES



AGENCY DOLLARS COLLECTED



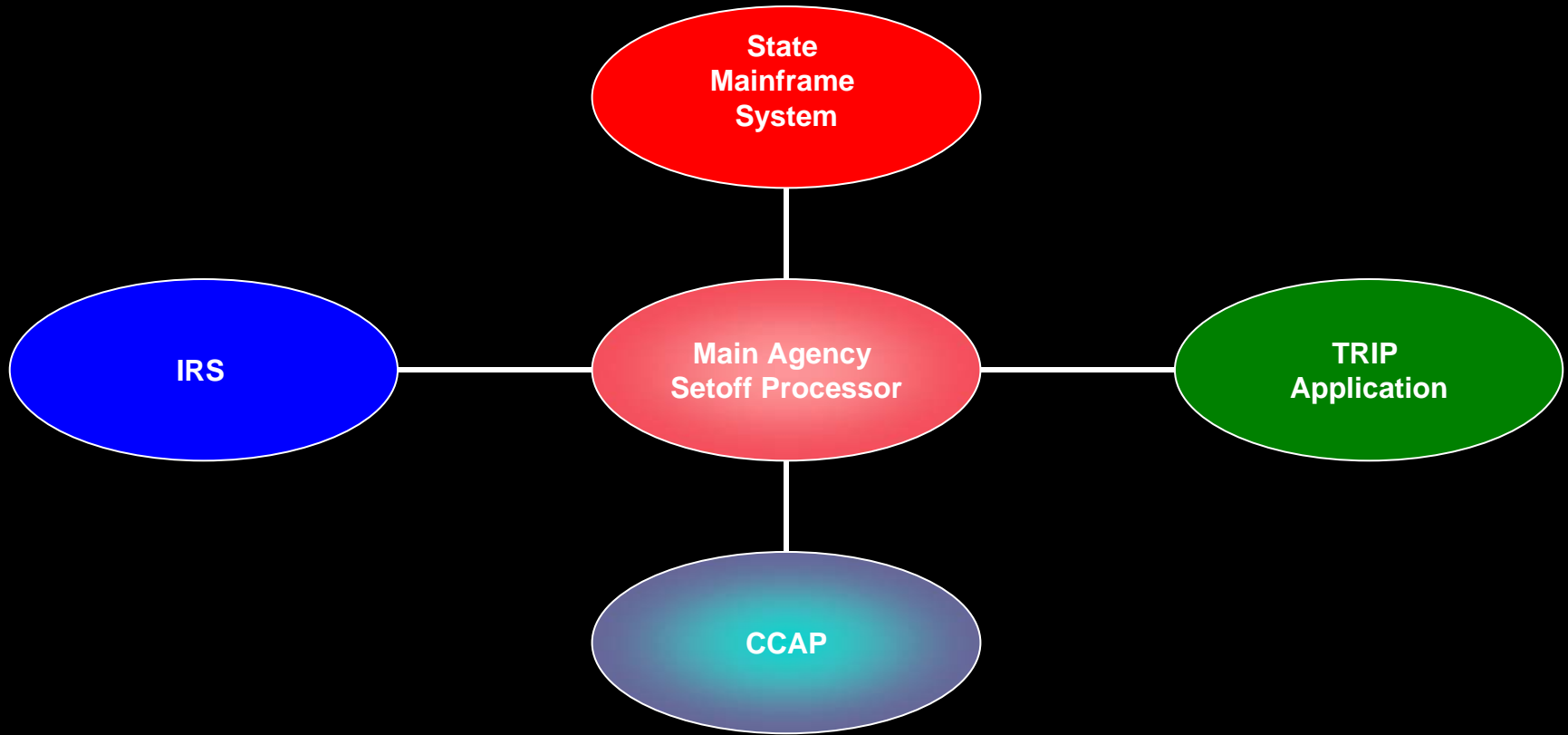
What does all this mean?

- We have a busy system managing many processes:
 - Different Fund Sources
 - Different Entities
 - Driven by New or Changing Legislation: 71.93 (states) and 71.935 (counties and municipalities)

Fund Sources

- WINPAS
- Manual Check Writing System
- Vendor Payments
- Lottery

Agency Setoff



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**How does it all
work?**

Business Rules Drive the Processing System

Business Rules

- Agency participants must submit debts that are at least \$20.
- Remaining balances of \$10 or less are not subject to interception
- IRS debt minimum is \$45

Business Rule-Debt Order

All debts are setoff in the following order:

- DOR-Delinquent Tax
 - State Agencies-including courts
 - Counties and Municipalities
 - IRS
 - Tribes
 - Other States
-
- By the date with the oldest being paid first.

Submitting A Debt

- **Agency participants certify debts using. . .**

- SSN
- DLN (driver license number)
- FEIN

. . .to DOR through File Maintenance transactions

- **Debtors are matched**

- WINPAS
- Agency Setoff System

. . . to establish an existing association or to enter a new record.

DOR returns the File Maintenance file with an indicator on each record showing whether it was accepted or rejected.

If rejected, DOR includes a reason code.

Debt Submission Process

- Agencies submit debts via TRIP, CCAP Court Interface or State Mainframe
- When a fund is identified an eligible intercept will occur. The balance verification step has been eliminated as of 10-1-09 per Wis. Stat 71.93 and 71.935.
- Agencies are responsible for keeping debts up to date
- Posting Notification will contain intercept information

Posting Notification

- DOR sends files to agencies with total amount applied to debt – Weekly, Tuesday
 - Ref Int. – Refund intercept
 - Vend Int. – Vendor Payment Intercept
 - Lott Int. – Lottery Intercept
- Checks are cut to agencies to reconcile to the posting notice – Weekly, Thursday
- One check per agency per week for one to many intercepts

Agency Setoff

- Other File Maintenance file exchanges
 - Initiated by participating agency
 - Debt Amount Change
 - Activate or Inactivate a debt
 - Address Changes
 - Initiated by DOR
 - Name Changes
 - Reversals

Agency Reports

- File Maintenance archive
- Posting Notification archive
- Account Summaries/Debtor Summaries
- Quarterly Settlement Reports emailed in electronic format as of April 2, 2009

Contact Information

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