

Overview of Program Requirements:

1. Prior to the beginning of tax season, the participating political subdivision will upload their debt file in the correct file format to the secure UTRECS web portal. The clearinghouse on behalf of the participating entity will then send a pre-intercept courtesy letter to the address submitted by the participating entity notifying the debtor of its intent. If the debt is fully resolved at the participating political subdivision level after the debt has been submitted to the clearinghouse, the participating political subdivision will need to collect the \$25 collection fee in addition to the debt amount from the debtor, with the collection fee being invoiced monthly by the UTRECS clearinghouse.
2. The UTRECS Clearinghouse will also send a post-intercept notification letter on behalf of the participating political subdivision when a match between a debtor and a personal income tax refund or other state payment is made. Upon intercept, the clearinghouse on behalf of the participating entity will send the notice by mail to the debtor at the debtor's last-known address within two business days of the date of the notice, stating the date and amount of the receivable and a demand for immediate payment. The notice must include the debtor's right to file a written response within 21 days of receipt, to have a hearing, to be represented at the hearing, and to appeal any decision of the hearing examiner. The notice must provide the participating political subdivision's address to request the hearing. The notice must state that if the debtor fails to respond to the notice within the 21 days or if a hearing is held and the hearing officer decides against the debtor, the state may obtain an order and execute upon the debtor's income tax overpayments or refunds in the form of a lien. The notice must also be sent to any individuals who are joint filers with the debtor if the claimant agency is aware of the joint filer.
3. Participating political subdivisions must sign a memorandum of understanding with the clearinghouse and with the Utah Division of Finance to utilize the clearinghouse services. This may require approval by the participating entity's governing board.
4. Participating political subdivisions must also complete a participation form with UTRECS and debtor contact information (can be the same). The participating entity information is located in the respective user's secure web portal under the Local Agency Info Tab. Participating entities are required to keep this information up to date.
5. Participating political subdivisions must comply with the clearinghouse file format requirements. Please note that only debts of at least \$20 are eligible for offset. Multiple debts can be combined by the participating entity to meet the \$20 threshold. Each individual debt above \$20.00 should be submitted individually. The clearinghouse will ignore debts that are submitted that are less than \$20.00.
6. Participating political subdivisions are required to refresh their files at least once a week to keep the most up-to-date records at the DFA. Refreshing their file means zeroing out a record if someone has come in to pay or the entity no longer wishes to potentially offset that debt.

Important Notes:

1. In the case of multiple claims against a refund, the clearinghouse prioritizes on a first in first paid policy.
2. The clearinghouse fee of \$25 assessed to the debtor is satisfied first before the claimant entity's debt, unless the debt is less than \$30. Then the participating entity's debt is satisfied first.
3. We do have cases of amended returns and an individual may be matched twice if more money is available for offset due to an amended return. In these instances, the clearinghouse \$25 fee is not charged.

4. The Division of Finance withholds \$15 of each successful offset as a collection fee, which is withheld prior to the offset monies being returned to the participating political subdivision to satisfy the debt.
5. Occasionally the clearinghouse has bad match. E.g. fathers and sons with the same name that live at the same address. If you believe there has been a bad match, please zero out the record and refresh the file. If the offset has already occurred, then the clearinghouse will reimburse the debtor for the clearinghouse and DoF fees. Additionally, the participating political subdivision will need to reimburse the debtor for the amount that they receive from the state tied to that individual.