

KASFAA 2019

Setoff Program

Overview

- Governed by K.S.A. 75-6201 et seq
- Matches state payments to debts owed to state agencies, district courts, Kansas municipalities, and states with a reciprocal agreement
 - Began with state payroll in 1981
- Matches are based on tax id of the debtor and tax id of the payee.
- Debts must be \$25 or more
- Must make three collection attempts
- Website: <http://admin.ks.gov/offices/chief-financial-officer/setoff-program>
- Link to Municipal Agreement Form
- Email address: kssetoff@ks.gov
- Customer service phone number for debtors: (785)296-4628 Hours: 9:00 am – 3:00 pm M-F
- Hierarchy of Debt:
 - Tax (state), Child Support, Write-offs (state), Other state debts, Municipality, Foreign State
 - Origin date – date submitted to Setoff

Kansas Debt Recovery System (KDRS)

- Web based system
- Creditor Agencies, agencies owed debts – Over 1100 Agencies and sub-agencies in KDRS
 - Submit debts
 - Maintain their debt records
 - Maintain their Creditor Agency Details Page
 - Phone numbers, names, email addresses, and Users
- More than 1600 Users
- More than 1 ½ million debt records
 - Municipalities – 660K
 - Missouri - 425K
 - State Agencies and District Courts – 415K
- 7 Setoff Program Staff (Newest staff member added March 18)

State Payments – Payroll, Income Tax Refunds, Miscellaneous State Payments, Homestead Tax Refunds, Unclaimed Property, and KPERs

- Largest source of Payments is Income Tax Refunds
 - Process is different for Joint Income tax filers.
 - Kansas Dept of Revenue (KDOR) mails Income Verification Letter to Joint Filers
 - Filers list their incomes in separate columns
 - Returns form to KDOR
 - KDOR allocates the state tax refund based on incomes
 - KDOR then notifies Setoff of debtor's tax refund amount

Daily Work

- Assist Users with sign-on to KDRS
- Assist Agencies with their Creditor Agency Details Page
- Assist Agencies to become a Creditor Agency
- Process Match lists
- Research Uncertified Debt issues. Mostly name and tax id variances
- Research payment match issues. Mostly name and tax id variances
- Training agencies via phone and email
- Phone calls from debtors, Users, paying agencies – during tax season as many as 2,000 calls
- Generate letters to debtors
- Transfer monies to Creditor Agencies
- Receipt monies from debtors and Payor Agencies.

Transfers

- Twice a month – 1st and 16 or first business day after such date
- Fiscal YTD as of March 11 - \$ 15.7 million
- Fiscal 2018 - \$29.6 million

Training

- Offered in the fall
- User Manuals on-line in KDRS

Creditor Agencies

- Know how to sign on to KDRS
- Know your agencies Creditor Agency Details Page
- Know your Users
- Always review Uncertified debts after submitting new debts. Fix your spelling and data entry errors
- When a debt goes to \$0 balance in your system for some transaction other than a payment from Setoff Program, adjust the KDRS balance to \$0
- Consider becoming a “Tape” agency. Submit new debts and adjustments via an electronic file
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