



FREQUENTLY ASKED QUESTIONS

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1. WHY USE MUNICIPAL INTERCEPT SERVICES (MIS) WHEN WE ALREADY HAVE A DEBT COLLECTION SERVICE?

MIS is NOT a debt collection agency or service. MIS does not do what debt collection services do and debt collection services cannot offer what MIS does. MIS is a unique way to attempt to recover money owed to your municipality by "intercepting" an individual's Alabama State tax refund. Debt collection agencies can NOT offer you this service.

MIS is a legislatively sanctioned conduit with the Alabama Department of Revenue (ADOR) that enables ADOR to recover delinquent debts owed by individuals to your municipality by collecting this debt from the individual's Alabama state tax refund. This system was made possible by an Alabama legislative change enacted in 2014 through which ADOR agreed to process these debts through only two clearinghouse organizations: the Alabama League of Municipalities (ALM) for municipal entities and the Association of County Commissions of Alabama (ACCA) for county entities. In 2015, ALM formed MIS to act as the clearinghouse on behalf of its municipal entities.

2. WHO IS ELIGIBLE TO USE THE MIS SYSTEM?

Only municipal entities within Alabama are eligible. This includes cities, towns, certain utility boards, housing authorities and hospitals. If your entity is considered a "county" rather than "municipal" entity, you will need to contact the Association of County Commissions of Alabama (ACCA) at www.alabamacounties.org to apply to participate in their program.

3. IS THERE A FEE TO USE THE MIS SYSTEM?

No. This service is free to eligible participating members. However, there is a \$25 service fee charged to and paid by the debtor for each successful intercept on each debt. This fee is collected as the first \$25 of any intercepted amount. If the intercept amount is less than \$25, MIS will collect ZERO fee and pass on the entire intercept amount to the participating member.

4. CAN DEBTS OWED BY BUSINESSES BE INTERCEPTED USING THE MIS SYSTEM?

No. Only debts from an individual can be processed by the Alabama Department of Revenue using the MIS system. Debts from businesses are not eligible. This is a restriction of the statute.



5. WHAT TYPE OF DEBTS CAN BE INTERCEPTED USING THE MIS SYSTEM?

Any municipal debt that is considered final, still within its statute of limitations and is more than 60 days old can be submitted to MIS. Examples of debt include:

- Court Fees/Fines
- Judgments
- Library Fees
- Medical Bills
- Ordinance Violations
- Parking Fees
- Rental/Lease Agreements
- Returned Checks
- Sanitation/Garbage Fees
- Utility Bills

6. ARE THERE ANY AGE RESTRICTIONS ON DEBTS THAT CAN BE SUBMITTED TO MIS?

To comply with the MIS Memorandum of Understanding and Agreement: “To become a delinquent debt, a **minimum period of sixty (60) days** must have elapsed between the time CLAIMANT AGENCY declares all of the applicable accounts or monetary obligations delinquent and the date the delinquent debt is submitted to MIS for interception.” It is also important to remember that some debts may have a statute of limitations that should not be exceeded. Please note statute of limitations requirements are not specific to MIS – *any* statute of limitations should be abided regardless of the collection method used. The MIS system can **NOT** check or verify any age requirements; therefore, it will be entirely **your** responsibility to ensure all debts submitted comply with these laws. **We strongly suggest you contact your attorney to clarify any statute of limitations questions that may arise.**

7. WHAT INFORMATION WILL WE NEED TO INPUT INTO THE MIS SYSTEM?

You will need to have ALL of the following information for each debt you want to submit through the MIS system:

- First Name of the debtor
- Last Name of the debtor
- Social Security Number of the debtor
- Debt Amount owned by the debtor
- Debt Type - why the debt is owed

8. WHAT IS THE SMALLEST DEBT THE SYSTEM WILL PROCESS?

The smallest debt that can be submitted is \$25.



9. CAN DEBTS OF LESS THAN \$25 BE COMBINED TO REACH THE \$25 THRESHOLD?

If you have the same debtor owning multiple debts and those individual debts are less than \$25 each, you can combine them into one debt of greater than \$25. However, individual debts greater than \$25 each cannot be combined.

10. WHAT DO WE NEED TO HAVE IN PLACE BEFORE WE START USING THE MIS SYSTEM?

Even before submitting your application package, you should have the following in place:

- A checking bank account that will be able to accept direct deposit. MIS does not issue paper checks. All disbursements are made using direct deposit. We strongly recommend you open a separate escrow account for these funds to allow them to be held until any appeals process has been completed.
- An email address. All notifications from the system will be sent via email. We strongly recommend you set up a dedicated email address for this purpose.
- Have an "Appeals Procedure" in place. An appeals guidelines document can be found in the Documents section of this website. Your Appeals Procedure should be approved by your attorney and be officially adopted.

11. WHAT HAPPENS WITH DEBTS OWED FOR CONTRACTED SERVICES SUCH AS GARBAGE COLLECTION?

That depends on how the contract is written. There are many ways such a contract could be written. The contract might say the municipality pays the vendor based on the number of customers regardless of whether the customer pays or not. In this type of contract, it is entirely the responsibility of the municipality to collect the money owed; therefore, any monies not paid would be a debt to the municipality (not the vendor) and, in this scenario, the municipality could use MIS to recover the debt. However, some contracts say that the vendor is responsible for collecting its money directly from the customer. In this scenario, any unpaid monies are a debt to the vendor and **NOT** the municipality. Therefore, since the debt is **not** to a municipality, you could **NOT** use the MIS system.

12. HOW DO WE SUBMIT AN APPLICATION TO JOIN THE MIS SYSTEM?

You will need to complete and mail a signed copy of the MIS Memorandum of Understanding & Agreement, a signed Participation Form and a signed Direct Deposit Authorization Form. These documents can be found in the Documents section of this website and should be mailed to:

Municipal Intercept Services LLC
P.O. Box 1270
Montgomery, AL 36102

Once your application has been received and approved, you will be contacted with your login credentials for the MIS system and you can immediately start using the system. That contact will be in the form of a phone call with your unique Username and a temporary password. For security reasons, you should then log in and change that temporary password as soon as possible.

13. WHAT HAPPENS IF A DEBTOR APPEALS AN INTERCEPT?

Once an intercept has been successfully made, the individual will be mailed a letter from the MIS system informing him/her of the intercept and that they have 30 days to appeal. This appeal must be made in writing to the municipal



entity that originally submitted the debt. The appeals procedure is entirely handled by that entity, including issuing a refund to the individual if their appeal is successful. MIS will not handle any appeals and cannot issue any refunds directly to individuals. The municipal entity is solely and completely responsible for any appeals.

14. WHAT IF WE DON'T HAVE THE SOCIAL SECURITY NUMBER OF THE DEBTOR?

There are many commercial services available, such as LexisNexis, which can research and find Social Security Numbers for a fee. The Social Security Number is a mandatory piece of information for each debt as this is used by the Alabama Department of Revenue to find matches.

15. CAN WE USE A THIRD PARTY COLLECTION AGENCY TO SUBMIT OUR DATA?

Yes. On the Application Form, you will see that, in addition to a section for all your municipal entity's contact information, there is also an optional section for third party contact information. This section should be completed if you would like to use a third party collection agency to handle your data entry for you. You will be responsible for passing your login credentials to that third party.

16. WHAT DO WE DO IF THE DEBTOR COMES IN AND PAYS US DIRECTLY AFTER WE HAVE SUBMITTED A DEBT TO MIS?

You would use the "Edit/Delete Existing Debts" function in the MIS system to do one of two things. If the debtor comes in and pays off just some of the debt owed, you will need to edit that debt and change the debt balance to reflect the new debt balance. On the other hand, if the debtor comes in and pays off the entire debt, you will need to delete that debt from the MIS system. Please remember that in both cases you will then need to perform a "Release Debts to MIS" to certify those changes and allow MIS to submit those changes to Alabama Department of Revenue. Once they receive those changes, they will either update the debt balance accordingly or simply delete the debt from their system thereby stopping any future intercept attempts on that debt. We encourage you to make this change as soon as possible to avoid the possible intercept of an incorrect amount.

17. WHAT DO WE DO IF WE RECEIVE NOTICE THAT A DEBTOR HAS FILED FOR BANKRUPTCY AFTER WE HAVE SUBMITTED THEIR DEBT TO MIS?

You would need to use the "Edit/Delete Existing Debts" function in the MIS system to delete the debt as soon as possible. Please remember that you will then need to perform a "Release Debts to MIS" to certify that deletion request and allow MIS to submit that to the Alabama Department of Revenue so they will cease interception attempts on that debt.

18. IS IT STILL POSSIBLE TO GET INTERCEPTS AFTER THE APRIL 15TH TAX DEADLINE?

Absolutely! Based on other States that have similar programs, we expect intercepts to be possible all year round. So do not stop maintaining or entering new debts just because tax season is over.

19. WHERE DOES MIS GET THE ADDRESS TO MAIL THE INTERCEPT NOTIFICATION LETTER?

We use the address supplied by the Alabama Department of Revenue when they notify us of a successful intercept.



It is the address off of the Alabama State tax return affected by the successful intercept. This should be the most current address available and may even be a more up to date than the address in your records.

20. WHY DO I NOT SEE THE EMAIL COPIES OF THE INTERCEPT NOTIFICATION LETTERS?

The MIS system will automatically email a copy of the intercept notification letter and ultimately any disbursement payment details to the email address of record for your account. The most common reason for not seeing these is that your email spam filters may be blocking them completely or redirecting them to your junk folder. There are 3 email addresses that MIS uses via alintercept.org that you should allow through:

<recovery> – general inquiries email address.

<techsupport> – used by the MIS IT Department for notifications about system outages for scheduled maintenance for example.

<do-not-reply> – used by the system to send copies of intercept notification letters and disbursement payment information.

21. HOW CAN I TELL WHEN THE INTERCEPTED FUNDS WILL ACTUALLY ARRIVE?

The funds are disbursed by direct deposit into your bank account of record. No paper checks will be issued. To track the progress of the funds after a successful intercept, use the “View Transaction History” function to first see if the intercept has been funded by the Alabama Department of Revenue in the form of a check to MIS. Once that check has been processed by MIS, the funds will be eligible for disbursement 30 days after that date. This function will also ultimately show you when the actual disbursement took place and the amount directly deposited. You will receive an automatic email from the MIS system when the direct deposit is initiated although it may take a day or two for the funds to actually appear in your bank account depending on the bank’s processing time.

22. DO WE STILL NEED TO NOTIFY THE DEBTOR OF THE ORIGINAL DEBT?

Yes. You still have the initial obligation to inform the individual that they owe that money in the first place. MIS will not do this on your behalf. The letter that MIS mails to the debtor is ONLY a notification that an intercept has happened and the money has been withheld from their tax refund.

23. HOW DO WE CHANGE OUR DESIGNATED MIS CONTACT PERSON?

It’s a quick, two-step process. First: log into the MIS system and use the **Edit User Profile** function to change your password so that only the new contact person has access. Second: once you’ve changed the password, log out and then log back in using your new password and select the **Edit User Profile** function again to update all the contact information, such as name, phone number and email address, to reflect your new contact. This is a very important step as the system uses the data stored in the User Profile when it generates the Notification Letters and email notifications.

24. WHAT DO WE DO IF WE ARE LOCKED OUT OF OUR MIS ACCOUNT BECAUSE OUR MIS CONTACT PERSON NO LONGER WORKS FOR OUR MUNICIPALITY AND DIDN’T LEAVE US THE NECESSARY LOGIN CREDENTIALS?

Please follow the steps (a), or (b) and (c) below:

a. Try contacting the former employee and requesting your MIS username and password. If they are able to provide you with login credentials, you should immediately log into the MIS system and use the Edit User Profile



function to reset your password. Having done that, log out and then log back in using your new password. You will then select the Edit User Profile function again to update all the contact information, such as name, phone number and email address, to reflect your new contact.

OR

b. If you cannot reach the previous contact person, we are able to change the email address on your account for you so that you can use the “Forgot Your Password” function on the main login screen. To allow us to do this, you must submit a letter (either electronically as a scanned document or via USPS) to MIS on your entity’s letterhead, signed by the Mayor, City Manager, Executive Director or General Manager, indicating the reason for this request, including the name and title of the previous contact person as well as the name, title and email address of the new contact person. Once we have received your official request, we can reset the email address on your account.

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c. Once we have changed the email address on your account, we will then provide you with your username so you will be able to use the “Forgot Your Password” function on the main menu. **Please note: Once you have received the system generated temporary password via email,**

1. **First: log into the MIS system and use the Edit User Profile function to change your password so that only the new contact person has access.**
2. **Second: once you’ve changed the password, log out and then log back in using your new password and select the Edit User Profile function again to update all the contact information, such as name and phone number, to reflect your new contact. This is a very important step as the system uses the data stored in the User Profile when it generates the Notification Letters and email notifications.**

25. WHAT IS THE “NEW YEAR DEBT RECERTIFICATION PROCESS”?

The Alabama Department of Revenue (ADOR) debt intercept program starts each calendar year anew and requires the resubmission of **ALL** debts at the start of the new year. Therefore, if you want ADOR to continue to attempt collecting intercepts on previously submitted debts, you will need to resubmit **ALL** your debts, including those certified and released during the previous year. Fortunately, “recertify” does **NOT** mean “reenter”. Your debts are **not** deleted from the MIS system; therefore, you will not need to reenter your debts each year. All that is required is to **recertify** and **rerelease** all your debts at the start of each year.

Take this time to review all your current debts in the MIS system and make any corrections needed before the next tax season. Perhaps you forgot to modify the balance down after a debtor paid off some of their debt. Or perhaps the debt’s statute of limitations has now expired and the debt should be deleted. Use this opportunity to tidy your list and confirm that all debts in the MIS system should be considered again for potential intercept by ADOR in the upcoming year.



26. HOW DO I RECERTIFY MY DEBTS?

At the start of each calendar year when you log into MIS, there will be a prominent **Important Notice** above the main menu that reads:

IMPORTANT NOTICE: At the start of each calendar year, you will be required to review, certify and re-release all your debts in the MIS system. Please note that until you perform your first “Release Debts to MIS” of the year, **NONE** of your debts will be eligible for potential intercept, even if they had been released last year. Therefore, please review, certify and re-release your debts as soon as possible.

At this point you should, if you haven’t already, review **ALL** your debts in the system to ensure they are correct and you want them to be submitted to ADOR. Then you simply use the “Release Debts to MIS” function to release ALL your debts to MIS and select the “OK” button in the confirmation window to certify that the debt data is correct and you want it released to ADOR. Once you click OK, and release all of your debts in the system, you are done. Back to normal daily operations.

Please remember that the “Release Debts to MIS” function will release ALL eligible debts and not just the ones visible on any one given page.

NOTE: Recertification can **NOT** be done *prior* to the start of the new year. That being said, it is in your best interest to perform the recertification process as soon as possible *after* the new year. **Until your debts are recertified, ADOR has NONE of your debts and you WILL NOT receive any intercepts.** In addition, if you delay the recertification process, your debts may lose their original priority and fall behind other debts that have been recertified and rereleased. **Therefore, it is very important that you perform your debt review and then recertify and rerelease them as soon as possible at the start of each calendar year.**

MIS will send email reminders towards the end of the year for you to begin your review process. Reminders will also be emailed at the start of the new year alerting you that you can now recertify and rerelease your debts.

This is a simple yet critical process. Until your debts are recertified, ADOR has NONE of your debts and you WILL NOT receive any intercepts. If you have any questions, please don’t hesitate to contact us.

27. CAN AN INTERCEPT BE REVERSED?

No. Unfortunately there is no way to reverse an intercept. Once the DOR has performed the intercept, they will NOT reverse it. They cannot reverse it regardless of whether the money to fund that intercept has been sent or not.

28. CAN SECTION 8 PARTICIPANTS’ DELINQUENT DEBTS BE ENTERED INTO MIS?

Yes, but **only** if the debt is **delinquent** and **owed directly to the housing authority**. Third party debts **are not** allowed (e.g., debt owed by the Section 8 participant to someone other than the housing authority).

29. CAN YOU INCLUDE RESTITUTION IN THE AMOUNT OF A COURT DEBT OWED WHEN SUBMITTING THAT DEBT TO MIS?

No. You cannot collect restitution through MIS. As required under the statute that governs MIS, restitution is not a debt to a municipal entity. Restitution is a debt to the victim. This is based on a January 2017 opinion from the



Attorney General's Office. For more information please refer to "AG Opinion Municipal Court Costs and Fines" in the Documents section of this website.

30. WHEN I USE THE EDIT/DELETE FUNCTION TO DELETE A DEBT IN THE MIS SYSTEM, WHY IS IT STILL LISTED?

When you use the Edit/Delete function, you are actually "marking a debt for deletion" rather than deleting it immediately. Keep in mind that, whether adding a new debt, editing an existing debt OR deleting a debt from the MIS system, it is **ALWAYS** a 2-step process. You must perform a "Release Debts to MIS" function, even when you are only trying to delete debts. Therefore, once you have "deleted" a debt using the Edit/Delete debt function, you then need to perform a "Release Debts to MIS" function to give MIS authority to send your deletion request to ADOR. Once MIS sends your debt(s) delete request to ADOR, the debt is then archived in the MIS system and will no longer appear.