



BUREAU OF THE

Fiscal Service

U.S. DEPARTMENT OF THE TREASURY



Introduction to Delinquent Debt Collection (DC 101)

Introduction to Delinquent Debt Collection

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 1. About DMS
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 3. Legal Authorities
 4. Portfolio Management—Creditor Agency Responsibilities
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- II. DMS Programs and Tools
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 3. Treasury Offset Program

- III. Reporting

Part I: General Debt Collection Information

1. About DMS

What is DMS?

Debt Management Services (DMS)
is part of the
Bureau of the **Fiscal Service (FS)**,
a bureau of the
United States Department of the
Treasury.

DMS Mission

To collect and resolve delinquent debt owed to government agencies through:

- Effectively managing the collection of delinquent debt owed to the government
- Maximizing the use of technology
- Implementing the provisions of the Debt Collection Improvement Act of 1996 and other applicable laws
- Maintaining partnerships with federal, state, and private sector entities

DMS Role

- Assists federal creditor agencies with:
 - Collection of delinquent non-tax federal debt through TOP and Cross-Servicing
 - Receivables management
 - Credit bureau reporting
 - Reporting discharged debts to the IRS

DMS Role

- Assists the Office of Child Support Enforcement in collection of child support debts
- Assists the Internal Revenue Service in collection of tax debts through levy
- Assists state governments in collection of state income tax debts and other state debt
- Reports on the status of federal receivables due from the public

2. What is a Debt

What is a debt?

Debt: Any amount owed to a federal or state government entity by a person, organization, or entity other than federal agency.

Examples:

Loans (direct, insured & guaranteed)

Fines and penalties

Overpayments

Amounts the U.S. is authorized to collect for another person

***** Federal agencies must aggressively pursue collection of delinquent debts.

What is a debt?

Delinquency Defined

- **A debt becomes delinquent when payment is not made by:**
 - The due date or end of the grace period as established in a loan or repayment agreement
 - The due date specified in the initial billing notice
 - In the case of administrative debt (e.g. fines, fees, penalties, and overpayments), the due date is usually 30 days after the agency mailed the notice
 - The **date of delinquency** is the date the agency mailed or delivered the billing notice

3. Legal Authorities

Legal Authorities

There are many laws that govern federal debt collection:

- The Debt Collection Improvement Act of 1996 (DCIA) strengthened existing authorities and centralized government-wide debt collection and debt management operations.
- DMS develops and implements government-wide debt collection regulations, policies and guidance.

Legal Authorities

The DCIA

- Centralizes delinquent federal non-tax debt collection within Treasury
- Requires agencies to transfer non-tax debt over 180 days delinquent to Treasury for collection
- Established the Treasury Offset Program (TOP), which allows the interception of eligible payments to repay debts
- Requires that creditor agencies report delinquent debts to credit bureaus
- Authorizes creditor agencies to garnish the wages of non-federal employees without a court order
- Bars delinquent debtors from obtaining federal loans or loan guarantees until all other delinquent federal debt is resolved

Legal Authorities

Treasury Financial Manual

- I TFM 4-4000, *Debt Management Services Collection of Delinquent Nontax Debt*, describes how DMS provides delinquent nontax debt collection services for federal agencies (i.e. Cross-Servicing)
- Chapter provisions eliminate the need for and supersedes the Letters of Agreement
- It requires agencies to:
 - Yield full compromise authority to DMS
 - Supply documentation to support transferred debts
 - Utilize all collection tools (including administrative wage garnishment)

Legal Authorities

Other References and Resources

- Federal Claims Collection Standards (FCCS) (31 CFR Parts 900-904)
- Debt collection regulations issued by Treasury's FS (31 CFR Part 285)
- OPM Salary offset regulations (5 CFR Part 550)
- OMB Circular No. A-129, *Policies for Federal Credit Programs and Non-Tax Receivables*
- See www.fms.treas.gov/debt for additional debt collection statutes, regulations and guidance

Legal Authorities

The Privacy Act of 1974

Provides agencies with requirements for:

- Maintaining a system or records
- Publishing notices
- Restrictions on disclosure of records
- Routine uses of information



4. Portfolio Management

Creditor Agency Responsibilities Prior to Treasury Referral

Portfolio Management

Key Creditor Agency Responsibilities

Federal agencies must aggressively pursue collection of delinquent debts. A creditor agency must:

- Establish the debt
- Publish regulations
- Establish a collection strategy
- Pursue debt collection using available tools and techniques, including providing due process and considering repayment agreements if the debt cannot be collected fully in one lump sum
- Decide when to terminate collection action

Portfolio Management

Establishing the Debt

Creditor agencies are required to establish the debt:

- An appropriate agency official determines that an amount is owed to the United States (31 CFR 900.2(a))
- Unless prohibited by statute or contract, agencies are required to assess three separate and distinct types of late charges on all delinquent debts (31 CFR 901.9):
 - Interest
 - Administrative Costs
 - Penalties

Portfolio Management Agency Regulations

- Must be published by all agencies
- Should be consistent with government-wide laws (unless agency-specific statutes apply)



Portfolio Management Collection Strategy

- A ‘*collection strategy*’ is an organized plan of action incorporating the various collection tools to be used by an agency to recover debt.
- An agency’s collection strategy:
 - Should promote quick resolution of delinquencies
 - Will take the requirement to refer debts to Treasury into account

Portfolio Management Collection Strategy

- If a delinquency is not resolved after the initial contact with a debtor, an agency must notify the debtor of the debt's delinquent status through a demand letter.
- *One demand letter sent no later than 30 days after delinquency should be sufficient.*
- When not already combined in the initial invoice or demand letter, must also send the debtor a due process notice.
- Refer to Appendix 8 of *Managing Federal Receivables* for a Demand Letter Checklist (www.fms.treas.gov/debt/Guidance_MFR.html).

Portfolio Management Pursuing Debt Collection

Pursuing debt collection requires:

- Demanding payment
- Providing due process
- Considering installments and compromises
- Using all available tools once a debt becomes delinquent
- Keeping debtor files
- Monitoring bankruptcies
- Resolving disputes

Portfolio Management Collection Tools and Techniques



Portfolio Management Due Process

- One important pre-requisite to the use of many debt collection tools is due process
- Due process is a constitutional right that requires an agency to provide debtors with *notice of*, and the *opportunity to dispute*, a debt or intended debt collection action
- Minimum due process requirements are generally established by the statute and/or regulation authorizing a specific debt collection tool
- Creditor agencies may have additional due process requirements unique to their program

Portfolio Management

Due Process - Notice

- Notice should provide information regarding:
 - Amount and type of debt
 - Actions the agency might take
 - Opportunity to review
 - Opportunity to dispute
 - Opportunity to enter into repayment plan
- Agencies are required to send notices to debtor's last known address
 - Due process is still effective even if debtor never received the notice

Portfolio Management Due Process – Opportunity to Dispute

- What can be disputed?
 - Existence or amount of debt
 - Legality of a particular collection action
 - In some cases, amount to be collected
- How to dispute?
 - Debtor can review file
 - Debtor can request agency review
 - Debtor can request a hearing (Generally, no hearing is required but the exceptions are salary offset and administrative wage garnishment)

Portfolio Management Repayment Agreements

- Whenever possible, the agency should try to fully collect a delinquent debt in one lump sum.
- If that is not feasible, then the agency may enter into a repayment agreement.
- Types of repayment agreements include installment and compromise agreements. Compromise agreement can also be paid via installments.
 - The terms of a repayment agreement must be stated in writing and should include use of pre-authorized debit, acceleration and rescheduling clauses, and consequences of default.
 - The terms can also include additional liabilities.

Portfolio Management Installment Agreements

- Should be used when payment via a single lump sum is not possible.
- An agency should obtain a financial statement or credit report to verify the debtor's claim of inability to pay one lump sum.
- The agreement should be a legally enforceable written document and generally last three years or less

Portfolio Management Compromise Agreements

- An agency compromises a debt by accepting less than the full amount as satisfaction of the entire debt.
- If the principal debt amount exceeds \$100,000, the compromise proposals must be sent to DOJ for concurrence.
- DOJ has delegated DMS the authority to compromise debts with a principal balance of less than or equal to \$500,000.
- Compromise agreements should be in writing and signed by the debtor and the agency.
- An agency may be required to report the difference between the full and compromised debt to the IRS as potential income on Form 1099-C.

Portfolio Management Termination, Write-off, and Close-out

- A *write-off* is an accounting procedure that reduces a debts value on financial reports.
- Generally, write-off is mandatory for debts delinquent more than two years (see OMB Circular A-129) and does not require DOJ approval.
- At the time of write-off, an agency should classify the debt as either Currently Not Collectible (CNC) or closed-out. Collection action should continue on CNC debts.
- Closed-out debt may need to be reported to the IRS as income on IRS Form 1099-C.

Portfolio Management Termination, Write-off, and Close-out

- An agency fulfills its responsibility to collect delinquent debts by engaging in *active* collection.
- *Termination of collection action* is a program decision to cease active collection on a debt in accordance with the FCCS and DOJ concurrence on debts over \$100,000.
- Agencies may temporarily *suspend* collection action in accordance with the FCCS.

5. Referral of Debts to DMS

Referral of Debts to DMS

- The DCIA generally requires federal agencies to transfer their non-tax debt over 180 days delinquent to DMS for offset and Cross-Servicing.
 - The Treasury Offset Program (TOP) matches the names and taxpayer identifying numbers (TINs) of debtors with the names and TINs of recipients of federal payments.
 - The Cross-Servicing program is a centralized program for collecting delinquent debt. It employs a variety of collection tools, including TOP, administrative wage garnishment, credit bureau reporting and use of private collection contractors.

Referral to Cross-Servicing

A debt is eligible for referral to DMS for cross-servicing if it is:

- Past due;
- Legally enforceable;
- Owed by an individual or entity (including a state or local government) other than a federal agency; and
- \$25 or more (including interest, penalties and administrative costs).

Cross-Servicing Exceptions

A debt is not required to be referred if it is:

- Less than 180 days delinquent
- At DOJ/in litigation
- In foreclosure
- Scheduled for sale
- At a private collection agency
- At a federal debt collection center
- To be paid in full via internal offset within 3 years
- Less than \$100
- Exempt under statute or federal law

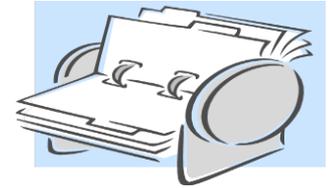
Referral to TOP

- A debt is eligible for referral to TOP if the debt is delinquent and legally enforceable.
- A debt is not eligible for referral to TOP if the debt is:
 - Owed by a debtor who has filed for bankruptcy protection or the debt has been discharged in a bankruptcy proceeding;
 - Owed by a federal agency;
 - The subject of an administrative appeal;
 - Less than \$25 (including interest, penalties and administrative costs); or
 - Owed by a foreign sovereign

Annual Debt Certification Agreement

- Creditor agencies are required to enter into new debt certification agreements for each calendar year. The agreement governs referrals under both TOP and the Cross-Servicing program.
- The certification agreement sets forth the specific facts to which the creditor agency is certifying upon referral and that all requisite due process has been provided.
- Debt certification is deemed to occur at the moment the debt is referred and each time the creditor agency provides updated information.
- DMS obtains certifications at the highest organizational level possible (CFO or equivalent) to ensure coverage of the largest number of referring programs for both TOP and Cross-Servicing and to ensure a high-level awareness of these debt collection issues.

Agency Profiles



- Both the TOP and Cross-Servicing programs require agencies to complete a profile for each distinct program under which debt may arise.
- The profile identifies points of contact and defines how DMS will service an agency's debt portfolio. It also specifies any unique laws that apply to an agency's debts.

Part II: DMS Programs and Tools

1. The Cross-Servicing Program

What is Cross-Servicing?

- Cross-Servicing is a consolidated government-wide program operated by DMS that fulfills the requirements of the DCIA to collect delinquent non-tax debts on behalf of federal agencies.
- An agency should refer its delinquent debts to FS as early as possible in the debt collection cycle.
- FedDebt is DMS' web-based Cross-Servicing system.

Debt Referral Requirements for Creditor Agencies

- As required by the DCIA, an agency must refer any eligible debt more than 180 days delinquent to DMS for Cross-Servicing.
- Before participating in the Cross-Servicing Program, an agency must:
 - Complete an *Agency Profile Form(s)* to establish a program(s) in the FedDebt system.
 - Sign an *Annual Debt Certification Agreement*.
 - Establish FedDebt users within the agency, or an electronic means, for transferring debts to DMS.

FedDebt Agency Profile

- The FedDebt Agency Profile consist of four parts:
 - Agency level contacts (can only be created and updated by agency level personnel)
 - Bureau level contacts
 - Office level contacts
 - Program level contacts and collection tool options (Program level contacts can be updated on-line)

FedDebt Agency Profile

- Program level contacts:
 - Primary contact
 - IPAC contact (Intra-Governmental Payments and Collections)
 - AWG contact (administrative wage garnishment)
 - 1099-C contact
 - Electronic File contact
 - Dispute contact

FedDebt Agency Profile

- Program level collection tool options:
 - Agencies must authorize DMS to use all available collection tools.
 - If the agency selects not to use a certain tool, it must provide a specific explanation why the tool is not legally authorized or not in the best interest of the government.
 - FS, in its discretion, will make the final determination whether the use of a collection tool is not in the best interest of the government.

Agency Roles in FedDebt

Creditor Agency FedDebt Roles (Choose One)

Creditor Agency Analyst: Create recall request; Read only case data, debt data, debtor data, notes, history/collection activity, payment agreement calendar

Creditor Agency Data Entry Clerk: Create and update case data, debt data, debtor data; Update debtor notes; Read only financial history, payment agreement calendar

Creditor Agency Financial Supervisor: Create and update financial batch and online processing; Read only case data, debt data, debtor data, notes, history/collection activity, payment agreement calendar

Creditor Agency Supervisor: Create and update agency contact info, case data, debt data, debtor data, recall request; Update debtor notes; Read only debt notes, history/collection activity, payment agreement calendar

Report Views in FedDebt

Creditor Agency Report Views (Choose One)

Creditor Agency View including the following reports: Creditor Agency Profile Report, Agency Contact Report, Creditor Agency Profile History Report and the Apportionment Report.

Creditor Agency Financial Supervisor View including the reports available in the Creditor Agency View (above) in addition to: Adhoc Financial Activity Detail Report, Adhoc Financial Activity Summary Report, Agency Payment Report and System Compromise Report.

Available Creditor Agency Reports

CA View

- CA Unprocessable
- Agency Reconciliation
- Apportionment
- New Case Entry
- Financial Transaction for Individual Debtor
- PA Resolution
- CA Concurrences
- Creditor Agency RTA
- Creditor Agency RTA Summary
- Recall Status for CA
- Granted Admin Resolutions
- Creditor Agency POD
- RTA Debts Statistics
- Entered Disputes
- CA Profile
- Creditor Agency Contact
- Creditor Agency Profile History
- Ad Hoc DOJ Referral Candidate Debts
- Ad Hoc Debts in DOJ Processing State
- Cases in 1099C Processing
- Eligible for 1099C Marking
- Cases Returned to TOP by Bureau

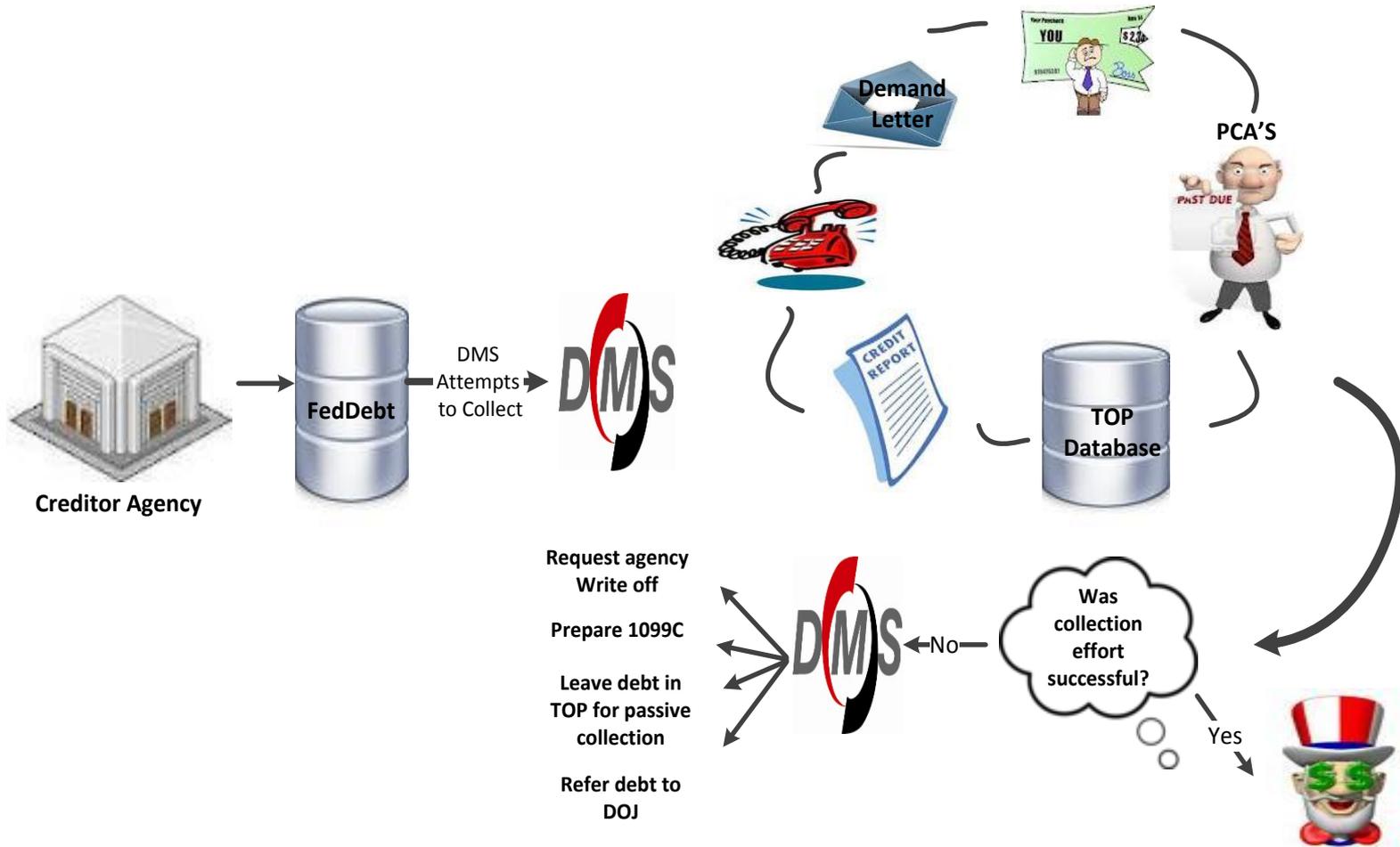
Available Creditor Agency Reports CA Financial Supervisor View

- In addition to the CA View Reports:
 - Ad Hoc Financial Activity Detail
 - Ad Hoc Financial Activity Summary
 - Agency Payment
 - System Compromise
 - Cash Transactions

Agency Responsibilities after Debt Referral

- Once a debt is referred to DMS, the agency must:
 - Stop its own collection activities related to the referred debt.
 - Refer any inquiries from the debtor to DMS.
 - Report to DMS any payment received by the agency, allowing DMS to maintain the correct debt balance and properly assess fees.
 - Maintain its own delinquent debt records for the referred debt.
 - Respond timely to debtor disputes and requests for relevant documents (Proof of Debt).
 - Promptly conduct all required reviews or hearings.

Cross-Servicing Process Overview



2. Cross-Servicing Debt Collection Tools

Cross-Servicing Debt Collection Tools

- Demand Letters
- Phone Calls
- Skiptracing
- Payment Agreements
- Treasury Offset Program
- Credit Bureau Reporting
- Private Collection Agencies
- Administrative Wage Garnishment
- Litigation by Department of Justice
- IRS Form 1099-C after Closeout

Debt Collection Tools

Demand Letters and Phone Calls

- Demand letters are generated shortly after an account is referred for Cross-Servicing.
- DMS may begin making phone calls within 10 days of the issuance of the demand letter.
- Accounts submitted without a phone number will be sent to a PCA 15 days after referral.

Debt Collection Tools

Repayment Agreements



Both DMS and the PCAs make every attempt to collect debts in full, in a single payment.

Establishing a payment agreement requires justification and supporting documentation to substantiate the agreement. The following are types of agreements negotiated by collectors:

- Lump Sum Agreement
- Installment Agreement
- Partial Payment Agreement
- Compromise Agreement

Debt Collection Tools

Treasury Offset Program

- TOP is a centralized offset process that intercepts federal and state payment of payees who owe delinquent debts to federal agencies and states that have submitted their debt information to FS.
- Agency debts referred to DMS for Cross-Servicing (AG33) are referred to TOP.
- TOP is used simultaneously with the other Cross-Servicing debt collection tools.
- Agencies can use the default FedDebt TOP profile settings or modify settings for the types of debt referred.

Debt Collection Tools

Credit Bureau Reporting

- DMS will report delinquent debt to consumer and commercial credit bureaus.
- DMS will forward any debtor disputes to agencies and agencies should respond within 7 days.
- Consumer reporting begins 60 days after referral and is updated monthly.
- Commercial reporting begins 30 days after referral and is updated quarterly.

Debt Collection Tools

Private Collection Agencies (PCA)

- DMS also uses private sector debt collection companies for debt collection services.
- Goals of the PCA contract are to collect and resolve debt in a competitive environment.
 - *More Collections = More Accounts*

Debt Collection Tools

Private Collection Agencies (PCA)

- PCAs use similar collection tools to DMS:
 - Demand letters
 - Skip tracing
 - Phone calls
 - Payment agreements
 - Administrative resolutions
 - Administrative wage garnishment



Debt Collection Tools

Private Collection Agencies (PCA)

- Requirements of the PCA contract:
 - PCA must adhere to relevant laws including the Privacy Act and the Fair Debt Collection Practices Act
 - DMS accounts must be in segregated collection area
 - Personnel security clearances required
 - PCA must adhere to information technology standards
 - PCAs must ensure all funds are directed to DMS controlled lockboxes
 - PCA must provide remote access to DMS to monitor the contractor's collection system
 - PCA is subject to daily monitoring by DMS staff and annual on-site compliance reviews

Debt Collection Tools

Administrative Wage Garnishment (AWG)

- Authorized by the DCIA of 1996
- May withhold up to 15% of a non-federal employee's disposable wages



Debt Collection Tools

Enrolling in AWG



- Publish AWG regulations
- Establish hearing procedures and provide hearing official contact
- Update the Agency Profile form accordingly

Debt Collection Tools

Which Debts are Eligible

- Once an agency starts participating, any debt with individual liability is eligible
- Can include commercial debts such as SBA or Farm Service Agency loans
- If the profile is changed to permit AWG, all debts previously referred will also be eligible for AWG

Debt Collection Tools

The AWG Process



- National Directory of New Hires match or skip-tracing leads to finding employer information
- Identify employer
- PCA/DMS will send notice letter
- DMS issues AWG Order if timely hearing not filed
- Receive payments
- Employer non-compliance

Debt Collection Tools

AWG Hearings

- Requesting a Hearing
 - Timely (within 15 business days of notice)
 - Late (more than 15 business days after notice)
- Reasons for Requesting a Hearing
 - Dispute amount of debt
 - Dispute existence of debt
 - Financial Hardship
- Processing a Hearing
 - Request
 - Resolution *
- FS offers hardship hearings free of charge
- FS offers non-hardship hearings for a fee

Debt Collection Tools

AWG Benefits

- Encourages voluntarily repayments
- Can be used anytime during the collection process
- Can use other debt collection tools simultaneously (e.g., TOP, credit bureau reporting, etc.)
- Increases collections

Debt Collection Tools

Department of Justice (DOJ)



- Referred for enforcement through litigation, including post-judgment enforcement
- Debts are evaluated by DMS to determine referral potential. Factors considered include:
 - Debt balance
 - Ability to pay (asset information)
 - Documentation
- DOJ makes the final decision on pursuing collection through litigation

Debt Collection Tools

1099-C Reporting

- DMS marks a debt as eligible for 1099-C reporting if it is:
 - Compromised or returned as uncollectible
 - \$600 or more
- Agencies make final decision on issuing 1099-C

3. The Treasury Offset Program

What is TOP?

- **TOP** is a centralized offset process that intercepts federal and state payments of payees who owe delinquent debts to federal and state agencies that have submitted their debt information to FS.
- **Offset** is withholding funds payable by a federal or state agency to a person to satisfy a debt owed to the United States or to a state agency.
- **Centralized Offset** is the offset of payments disbursed by FS and other federal disbursing agencies through TOP.

What is TOP?

TOP is one of the largest and most effective tools in collecting delinquent debts for federal and state agencies:

- Debts owed to the United States (tax & non-tax)
- Child support obligations enforced by state agencies
- State income tax debts
- Unemployment Insurance Compensation debts
- Other state debts through State Reciprocal Program

What is TOP?



TOP has expanded and incorporated other offset programs, such as;

- IRS' s Tax Refund Offset Program,
- Levies served by IRS in accordance with the Taxpayer Relief Act of 1997,
- The collection of state income tax debt

How Does TOP Work?



- Federal and state agencies submit eligible debts to TOP and certify that those debts are valid, delinquent, and legally enforceable, and that all due process prerequisites have been met.
- Due process prerequisites include:
 - 60-day prior notice to debtor, and
 - Opportunity to dispute the debt

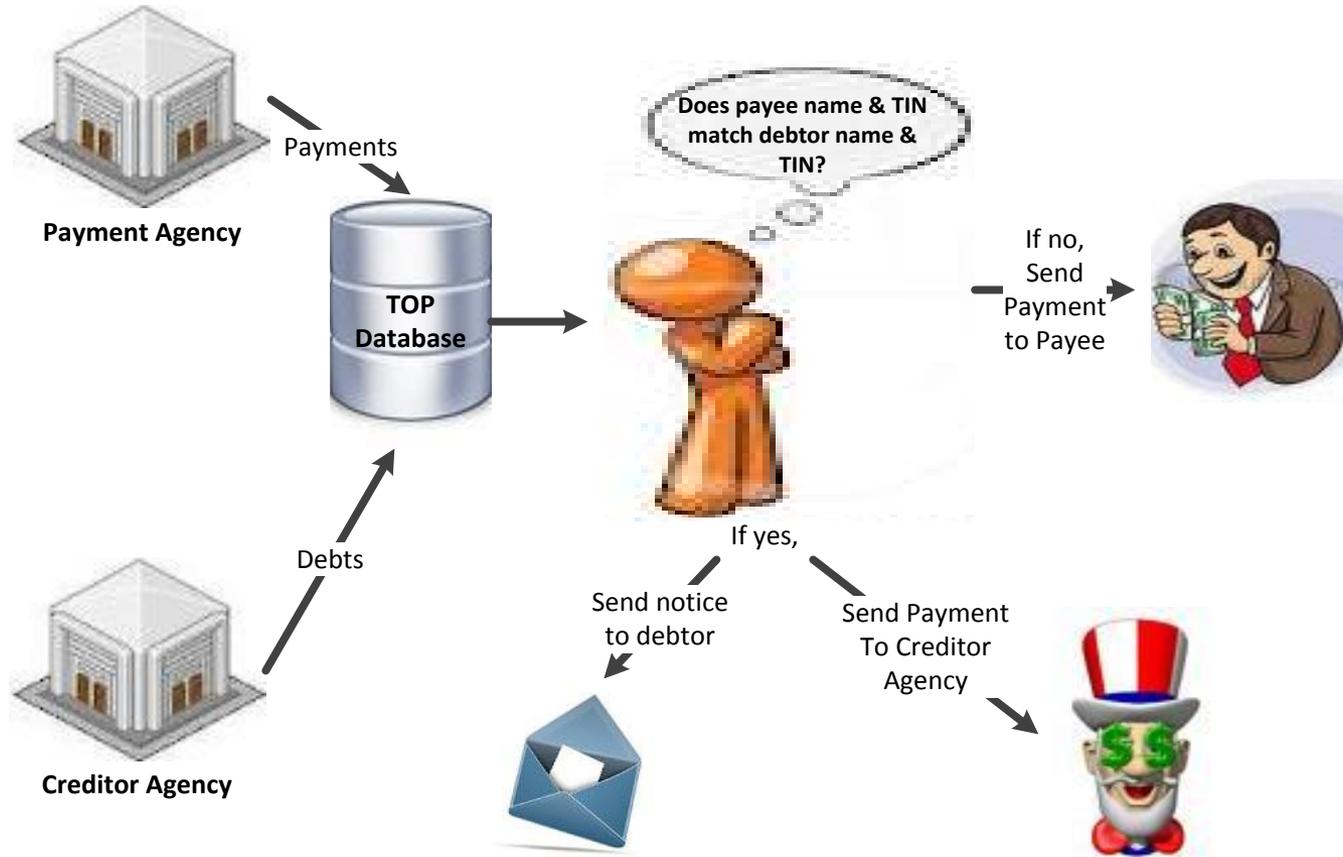
How Does TOP Work?

- TOP compares payee names and Taxpayer Identification Numbers (TINs) on payment certification vouchers to names and TINs of debtors in TOP's debtor database.
- When a match occurs on both, TOP intercepts, or "offsets," all or part of a payee's eligible federal or state payment.
- FS notifies both the payee and the payment agency about the offset. TOP compares payee names and Taxpayer Identification Numbers (TINs) on payment certification vouchers to names and TINs of debtors in TOP's debtor database.
- When a match occurs on both, TOP intercepts, or "offsets," all or part of a payee's eligible federal or state payment.
- FS notifies both the payee and the payment agency about the offset.



A **TIN** is an individual's Social Security Number or a business' Federal Employer Identification Number/

TOP Process



TOP Debt Match Process

Debt Match Process

- TOP compares each delinquent debtor's TIN and name control against the TIN and name control on the federal and state agency payment files.
- The debtor name control is the first four letters of an individual's last name or the first four significant letters of a business name.
- When a match on both TIN and name control is found, the payment is intercepted in whole or in part for offset.

Debt Match Process

- The offset funds are transferred to the creditor agency, and any remaining funds are returned to the normal payment stream.
- The delinquent debtor (the payee) is notified by mail of the offset action and the creditor and payment agencies are notified through TOP's automated reporting system.
- If a match occurs but the payment is not offset, match information is provided by TOP to the creditor agency.

Priority of Debts

When more than one debt is submitted for the same debtor, TOP applies funds collected in accordance with priorities set by statute and policy. TOP applies funds in the following order*:

1. Federal Income Tax Debts
2. Child Support Debts (Temporary Assistance for Needy Families (TANF) and Non-TANF)
3. Federal Non-Tax Debts
4. State Debts

Getting Started in the Treasury Offset Program

Creditor Agency Profile Input Form

- Each agency is responsible for filling out a *Creditor Agency Profile Input* form for inclusion into the Treasury Offset Program system.
- The profile contains instructions that are maintained in TOP to manage agency participation in the program.

TOP Creditor Agency Profile Input Form



Section A – Agency Information			
To be completed by all agencies.			
1. Check One: <input type="checkbox"/> Parent Site <input type="checkbox"/> Agency Site		2. Check One: <input type="checkbox"/> New Profile <input type="checkbox"/> Update Existing Profile	
3. Agency Name:			Date of Request:
4a. Street Address:			
4b. City:		4c. State:	4d. Zip Code:
5. Agency Location Code:			

Section B – Profile Information		
To be completed by all agencies.		
1a. Creditor Agency Contact:		
1b. Phone: () -		1c. Fax: () -
2. Agency to reduce debt balances to zero: <input type="checkbox"/> Yes <input type="checkbox"/> No		
3. Levy/Offset fees to be paid by: <input type="checkbox"/> Creditor Agency <input type="checkbox"/> Debtors		
4. Indicate below the payment types (Debt Match Bypass Indicators) against which debts should never be offset.		
Indicate below the payment types (Debt Load Bypass Indicators) against which debts will not be offset until a Record Type 6 is submitted.		
5. Debt Type	Begin Date	Expiration Period
_____	_____	_____
_____	_____	_____
_____	_____	_____

Section C – Contact Information		
To be completed by all agencies.		
1a. Debtor Contact:		
1b. Phone: () -		1c. Fax: () -
2. In-State Debtor Contact Phone: () - Check if Phone is Toll Free <input type="checkbox"/>		
3. Out-of-State Debtor Contact Phone: () - Check if Phone is Toll Free <input type="checkbox"/>		

For FMS Use Only	
Date Received:	Agency ID:
Date Entered:	Site ID:
Initials:	

Section A: Agency Information



- Determine whether the agency requires a new profile or is updating an existing profile, and check one.
- Fill out the agency name, date of request, agency address, and agency location code.

Section B:

Profile Information

- Complete the creditor agency contact, including contact information.
- Check whether the agency will reduce debt balances to zero.
- Check whether the offset fees will be paid by the debtor or by the agency.
- Finally, indicate debt match bypass indicators and debt load bypass indicators.

What Are Bypass Indicators?

- Debt match bypass indicators are payment types against which debts should never be offset.
- Debt load bypass indicators are payment types against which debts will not be offset until a Record Type 6 is submitted.*

Bypass Indicators

- SSA – Social Security Benefit Payments
- RRB – Railroad Retirement Benefit Payments
- OPM – Federal Retirement Benefit Payments
- TAX – Federal Tax Refunds
- SAL – Federal Salary Payments
- VEN – Federal Vendor Payments
- NSX – State Tax Refunds
- NSV – State Vendor Refunds
- NTV – Non Treasury Disbursed Vendor Payments
- ADM – OPM, NTV & VEN

Section C: Contact Information



This form must be submitted to gain access to the TOP Web Client.

- Add the name, phone number, and fax number of a debtor contact.
- Add the debtor contact phone numbers for both in-state and out-of-state debtors, and check whether or not these phone numbers are toll free.

Security Access Request Form

		Treasury Offset Program Web Client		Security Access Request Form
Section A – TOP Web Client User Information <small>To be completed by the requesting user or agency point-of-contact</small>				
1. Employee Type <input type="checkbox"/> State Employee <input type="checkbox"/> Federal Employee <input type="checkbox"/> Contractor				
2. Action Requested <input type="checkbox"/> Grant <input type="checkbox"/> Revoke <input type="checkbox"/> Revise		3. Effective Date		
4a. Last Name		4b. First Name		4c. M.I.
5a. Phone Number		5b. Email Address		
6. Agency				
7a. Street Address				
<small>* Please Note : Address must include actual room number. P.O. Boxes are not acceptable addresses for User ID/Password delivery.</small>				
7b. Room Number		7c. City	7d. State	7e. Zip Code
8. Type of Access requested <input type="checkbox"/> TOP Web Client <input type="checkbox"/> Connect Direct <input type="checkbox"/> Connect Mailbox <input type="checkbox"/> Batch <input type="checkbox"/> Other				
9. Security Group (See TOP Agency Implementation Guide, Appendix B: Agency Security Groups and Online Access Privileges) <input type="checkbox"/> Creditor Manager <input type="checkbox"/> Creditor Staff <input type="checkbox"/> Creditor View <input type="checkbox"/> Payment Staff <input type="checkbox"/> Other				
10. Requesting Access for <input type="checkbox"/> Entire Agency <input type="checkbox"/> Specific Agency Site (Site ID)				
11. Comments:				
Section B – Agency Authorization <small>To be completed by the requesting user's supervisor.</small>				
1. Supervisor's Name		2. Title		3. Phone Number
4. Supervisor's Signature			5. Date	
6. FPA Security POC			7. FPA Security POC Signature	
Resources and Accesses (For TOP DCC Use Only)				
1. Agency ID		2. Site ID		3. User ID
4. Resource Name		5. Group		5a. Other
6. ITIM Request Completed By:		6a. Date Completed:		
7. TOP Web Client Access Request Completed By:		7a. Date Completed:		
8. Entered into TOP Web Client application By:		8a. Date Completed:		
9. Entered into TOP User Database By:		9a. Date Completed:		
Please mail completed form to:		Birmingham Debt Management Operations Center Attn: TOP Security Officer PO Box 2451 Birmingham, AL 35209		

Section A: TOP User Information



- Check employee type: State, Federal, or Contractor.
- Check what action is requested: Grant, Revoke, or Revise Access.
- Complete contact information, including name, phone number, email, agency, address, room number, and date of last security background review.

Section A:

TOP User Information



- Check what type of access is being requested:
 - TOP Web Client
 - Connect:Direct
 - Cyberfusion
 - Connect:Mailbox
 - Batch
 - Other

- Check the correct Security Group:
 - Creditor Manager
 - Creditor Staff
 - Creditor View
 - Payment Staff
 - Other

Section A: TOP User Information

- Check whether the entire Agency or Specific Agency Site is requesting access.
- See TOP Agency Guide, Appendix 8, for information on Agency Security Groups and online access privileges.

Section B: Agency Authorization



- This section is to be completed by the requesting user's supervisor. The supervisor should fill out his/her name, title, and phone number, and then sign and date the form. The FPA Security POC must also sign the form.

Resources and Accesses



- This section of the form is for TOP Use Only. It will include the Agency ID, Site ID, and User ID, and will show the date the requested access was completed and the name of the analyst who processed the request.

TOP Rules of Behavior

- Before access can be granted, the requesting user must read and sign the TOP Rules of Behavior. This document includes information on:
 - Responsibilities,
 - Policies and Procedures,
 - Application Rules,
 - Disclosure of Data,
 - Application Access,
 - Dial-In Access, and
 - The FS Network related to TOP access.

Resources



- TOP Agency Guide
- TOP Client Guide

Debt Collection Through TOP

Debt Balances

- There are several circumstances that cause a debt balance to change:
 - **Offsets:** Funds are applied to the balance resulting in a debt balance decrease
 - **Reversals:** Offset funds are returned to the payment agency or debtor resulting in a debt balance increase
 - **Updates via Weekly Update Batch Files:** Record Type 1, Action Code “S” (Decrease) or “I” (Increase)

Bypass Indicators

- A payment bypass indicator allows you to determine whether a debt is eligible for debt match against a particular payment source. There are two types of bypasses:
 - **Agency Level Bypass:** Selected on the Creditor Agency Profile Form. Agency must indicate whether the bypass should be added once the debt is loaded or if a type of payment should be bypassed when the debt match process occurs
 - **Debtor Level Bypass:** Added via weekly update file or via the TOP Web Client

Debtor Overrides

- Debtor overrides defines the amount or percentage by which a payment may be offset can occur.
 - Payment Agency
 - Payment Type
 - Maximum Amount
 - Maximum Percentage
- It is strongly recommended that before a Creditor Agency enters a debtor override they request a copy of the Offset Notification Letter that is sent to the debtor to ensure the correct payment agency and payment type is selected.

Debtor Aliases

- Debtor alias allows for the addition of up to 99 aliases for a debtor. It is not unusual for there to be more than one alias for a given debtor. A single delinquent debtor may be on file under more than one name as a result of marriage, divorce, or any number of other reasons.
- For example, John A. Smith may be listed as J. Albert Smith, John Smythe, Jonathan Smith, John Smithe, or some other variation. In the case of a business, John Doe, Inc. may be listed as JD Inc., or JDI.

Payment Types

- **Federal Tax Refund** payments may be offset up to 100% to collect Non-Tax and State Income Tax & Unemployment Compensation debts.
- **Vendor** payments and **Federal Employee Travel Advances & Travel Reimbursements** may be offset up to 100% to collect Tax Levy, Federal Non-Tax, and State Reciprocal debts.
- **Salary** payment offsets are limited to 15% of disposable pay and are offset to collect Tax Levy and Federal Non-Tax debts. The minimum dollar amount for a debt referred for Salary Offset is \$100 and with the salary offset the debt balance will always be reduced to zero.

Payment Types

- **State** payments may be offset up to 100% to collect Federal Non-Tax debts.
- **Social Security** payments are offset to collect Tax Levy and Federal Non-Tax debts.
- **OPM Retirement** payment offsets are limited to 25% to collect Tax Levy and Federal Non-Tax debts.
- **Railroad Retirement** payments are offset to collect Federal Non-Tax debts.

Payment Types

- With **Benefit** payments, 60 and 30-day Warning Letters are sent out before benefit payments are offset.
- For **Social Security** and **Railroad Retirement** payments, offsets are limited to 15%. Amount of offset will be the lesser of the amount of the debt; an amount equal to 15% of the monthly benefit payment; or the amount by which the benefit payment exceeds \$750. No payment of \$750 and under will be offset.

TOP Participation Agency Responsibilities

- **Provide Due Process:** Notice to debtor of delinquent debt and opportunity to dispute.
- **Documentation and Regulation:** Research, write, and publish all necessary written material prior to implementing TOP.
- **Identify current, planned, and desired data transmission methods:** (Connect:Direct, Connect:Enterprise, TOP Web Client).
- Complete **Creditor** or **Payment Agency Profile Input Form** indicating how the agency will participate in TOP.

TOP Participation Agency Responsibilities

- Complete **TOP Security Access Request forms** for all prospective users who will require access to TOP.
- **Testing** (Physical Connectivity, File Transfer, Debt Load (mock and/or live data)).
- **Conduct Training** to ensure agency personnel follow TOP requirements.
- **Refer delinquent debt to TOP.**

Part III: Reporting

Annual Report to Congress

- The DCIA directs the Secretary of the Treasury to report to Congress annually on the management of receivables and debt collection activities by the head of each federal agency.
- This report summarizes information provided by federal agencies concerning their receivables reported to Treasury.
- It includes information about receivables, collections on receivables, delinquencies, collections on delinquencies, and write-offs.
- This report also summarizes key government-wide actions to collect delinquent debt and highlights any special and/or unique collection activities and accomplishments.

Treasury Report on Receivables (TROR)

- The TROR serves as a management report that informs federal decision makers of the gross book value of the receivables owed to federal agencies and the status of the federal government's debt portfolio.
- The information contained in the TROR is disseminated to the Congress, OMB, agency Chief Financial Officers, other officials and representatives of federal and state organizations, private sector organizations, and the public.
- Agencies report quarterly via a web-based interface.

Questions????