



BUREAU OF THE
Fiscal Service
U.S. DEPARTMENT OF THE TREASURY

Digital Accountability and Transparency Act of 2014 (DATA Act) Workshop: How the Debt Collection Process and TROR Reporting are Changing

March 31, 2015

Topics

- Introduction
- Agency Outreach
- Debt Management Services (DMS) Next Steps
- Agency Next Steps
- Treasury Report on Receivables (TROR) Presentation

Introduction

- Goal:
 - To share information about the debt collection provisions of the DATA Act and Debt Management Services' (DMS) efforts to ensure compliance, provide agency guidelines, and answer questions.

- DATA Act Provisions:
 - Section 5 of the DATA Act amends 31 U.S.C. 3716(c)(6) and now requires agencies to refer to Treasury valid, delinquent nontax debts for the purpose of administrative offset at 120 days- 60 days earlier than the previous 180-day requirement.

 - The DATA Act also directs Treasury to report to Congress on agency compliance with the new administrative offset referral requirement. These new requirements became effective on May 19, 2014.

Agency Outreach

- ❑ Cross-Servicing and Treasury Offset Program (TOP) impact:
 - ❑ TOP referrals must comply with the new 120 day requirement. Cross-Servicing referrals must also comply if the program profile is active to use TOP as a collection tool.

- ❑ Treasury Report on Receivables (TROR) Reporting Impact (presented below).

- ❑ Report to Congress
 - ❑ Fiscal Service is planning to use the FY 2015 Annual Report to Congress as the mechanism to report on agency compliance.

Agency Outreach (cont.)

- ❑ DATA Act agency impact assessment:
 - ❑ DMS conducted a survey from August to November 2014.
 - ❑ Several agencies must undergo system changes to accommodate the new referral requirement of 120 days to accelerate referrals and comply with new TROR reporting requirements.
 - ❑ Agency processes relating to preparing the debts for referral to Treasury will also be impacted in terms of timing for due process notifications and working the debts internally.
 - ❑ Agencies must review their internal regulations to identify any conflicts or challenges.
 - ❑ The survey was not a formal request for a timeline. We appreciated agency responses and input as this enabled us to shape our implementation effort.
 - ❑ DMS also reached out to agency/department debt management points of contact (POCs) as part of the quarterly scorecard process—we gained further insight into agency-specific challenges and considerations.

DMS Next Steps

- ❑ DMS is working on the following:
 - ❑ Website updates with links to the DATA Act. Periodic updates will continue.
 - ❑ Regulation, policy, and guidance updates:
 - ❑ TFM 4-4000 – Debt Management Services Collection of Delinquent Nontax Debts. Updated.
 - ❑ 31 CFR 285 – Debt Collection Authority Under the Debt Collection Improvement Act of 1996. In progress.
 - ❑ Managing Federal Receivables (MFR). Updated.
 - ❑ Federal Claims Collection Standards (FCCS). Working with DOJ to update the FCCS. This will be an update that looks broadly at provisions, and DMS will seek agency input.

- ❑ Update the TROR to accomplish the reporting requirement.

Agency Next Steps

- ❑ Ensure debt management officials in your agency know about the change to the referral requirement and the upcoming TROR changes.
- ❑ Work with your business analysts, finance areas and legal to understand impacts to systems and processes.
- ❑ Consult the DMS web site for updates; look for technical bulletins; attend quarterly FedDebt and TOP user group meetings.
- ❑ Ask questions!

Treasury Report on Receivables

Part I - Status of Receivables		
	Number	Dollars
Section A Receivables and Collections		
(1) Beginning FY Balance		0
(2) New Receivables (+)		
(3) Accruals (+)		
(4) Collections on Receivables (-)		0
(A) At Agency (-)		
(B) At Third Party (-)		
(C) Asset Sales (-)		
(D) Collections by Treasury through Offset and Cross-Servicing (-)		
(E) Collections by Sale After Foreclosure (-)		
(F) Collections by Department of Justice (-)		
(G) Other - must footnote (-)		
(5) Adjustments (+ or -)		0
(A) Reclassified/Adjusted Amounts (+ or -)		
(B) Adjustments Due to Sale of Assets (+ or -)		
(C) Consolidations (+ or -)		
(D) Foreclosure Adjustments (+ or -)		
(E) Written-Off Debts Reinstated for Collection (+)		
(6) Amounts Written Off (-)		0
(A) Currently Not Collectible (-)		
(B) Written Off and Closed Out (-)		
(7) Ending Balance		0
Section B Additional Receivables Data (Information Only)		
(1) Subsets of Ending Balance		
(A) Foreign/Sovereign Government (+)		
(B) State and Local Government (+)		
(C) Rescheduled Debt - Delinquent (+)		
(D) Rescheduled Debt - Non-Delinquent (+)		
(E) Interest & Late Charges (+)		
(F) A-129 Justification for CNC Exclusions (+)		

Treasury Report on Receivables

Section C Delinquent Debt (Excluding CNC Debts)		
(1) Delinquencies by Age		
(A) 1-30 Days (+)		
(B) 31-60 Days (+)		
(C) 61-90 Days(+)		
(D) 91-120 Days(+)		
(E) 121-150 Days (+)		
(F) 151-180 Days (+)		
(G) 181-365 Days (+)		
(H) 1-2 Years (+)		
(I) 2-6 Years (+)		
(J) 6-10 Years (+)		
(K) Over 10 Years (+)		
(l) Total Delinquencies by Age	0	0
(2) Delinquencies by Category		
(A) Commercial (+)		
(B) Consumer (+)		
(C) Foreign/Sovereign Government (+)		
(D) State and Local Government (+)		
(E) Total Delinquencies by Category	0	0
(3) Credit Bureau Reporting (Information Only)		
(A) Commercial (+)		
(B) Consumer (+)		
(C) Total Credit Bureau Reporting		

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Treasury Report on Receivables

Part II - Debt Management Tool and Technique Performance Data		
	Number	Dollars
Section A Delinquent Debt 120 Days or Less		
(1) Delinquencies 1-120 Days		
(A) In Bankruptcy (+)		
(B) In Forbearance or In Formal Appeals Process (+)		
(C) In Foreclosure (+)		
(D) At Private Collection Agencies (+)		
(E) In Litigation (At DOJ or Agency Counsel) (+)		
(F) In the Process of Internal Offset (+)		
(G) In Wage Garnishment (+)		
(H) At Treasury for Cross-Servicing (+)		
(I) At Treasury for Offset (+)		
(J) At Agency (+)		
(K) Other - must footnote (+)		
(L) Total Delinquencies 1-120 Days	0	0

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Treasury Report on Receivables

Section B Delinquent Debt (Over 120 Days Delinquent) Eligible for Referral to Treasury for Offset		
(1) Debt Eligible for Referral to Treasury for Collection		
(A) Delinquent Debt Over 120 Days (+)		
(B) Currently Not Collectible Debt (+)		
(C) Total Delinquent Debt Over 120 Days and CNC Debts		
Debts Ineligible for Treasury Offset Program (TOP)		
(D) In Bankruptcy (-)		
(E) In Forbearance or Formal Appeals Process (Including Litigation) (-)		
(F) In Foreclosure (-)		
(G) Other - must footnote (+ or -)		
(H) Balance of Debt Eligible for Referral to Treasury for Offset		
Exceptions from Referral to Treasury for Offset		
(I) Debt Eligible for Referral to Treasury for Offset		
(J) Foreign/Sovereign Debt (-)		
(K) Debt in Litigation for Enforced Collection (-)		
(L) Other - must footnote (+ or -)		
(M) Debt Required to be Referred to Treasury Offset Program by Agency		
(N) Debt Referred to Treasury Offset Program (-)		
(O) Debt Referred to Treasury Offset Program through Cross-Servicing (-)		
(P) Balance Remaining to be Referred to Treasury for Offset		

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Treasury Report on Receivables

Section B Delinquent Debt (Over 180 Days Delinquent) Eligible for Referral to Treasury for Cross-Servicing		
(2) Debt Eligible for Referral to Treasury for Collection		
(A) Delinquent Debt Over 180 Days (+)		
(B) Currently Not Collectible Debt (+)		
(C) Total Delinquent Debt Over 180 Days and CNC Debts		
Debts Ineligible for Treasury Cross Servicing		
(D) In Bankruptcy (-)		
(E) In Forbearance or Formal Appeals Process (Including Litigation) (-)		
(F) In Foreclosure (-)		
(G) Other - must footnote (+ or -)		
(H) Balance of Debt Eligible for Referral to Treasury for Cross Servicing		
Exceptions from Referral to Treasury for Cross Servicing		
(I) Debt Eligible for Referral to Treasury for Cross Servicing		
(J) Foreign/Sovereign Debt (-)		
(K) Debt in Litigation for Enforced Collection (-)		
(L) At Private Collection Agencies (-)		
(M) In the Process of Internal Offset (-)		
(N) Debt Exempted by Treasury from Cross-Servicing (-)		
(O) Debt Returned from Cross-Servicing (-)		
(P) Other - must footnote (+ or -)		
(Q) Debt Required to be Referred to Treasury or a Designated Debt Collection Center for Cross-Servicing		
(R) Debt Referred to Treasury or a Designated Debt Collection Center for Cross-Servicing (-)		
(S) Balance Remaining to be Referred to Treasury or a Designated Debt Collection Center for Cross-Servicing		

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Treasury Report on Receivables

Part II - Debt Management Tool and Technique Performance Data		
	Number	Dollars
Section C Collections on Delinquent Debt		
(1) Collections on Delinquent Debt		
(A) By Private Collection Agencies (+)		
(B) By Litigation (+)		
(C) By Internal Offset (+)		
(D) By Third Party (+)		
(E) By Asset Sales (+)		
(F) By Wage Garnishment (+)		
(G) By Treasury/Designated Debt Collection Center Cross-Servicing (+)		
(H) By Treasury Offset (+)		
(I) By Agency (+)		
(J) Other - must footnote (+)		
(K) Total Collections on Delinquent Debt		

Treasury Report on Receivables

Section D CNC Debt Status	
(1) Currently Not Collectible Debts (Written Off and Not Closed Out)	
(A) At Private Collection Agencies (+)	
(B) At Treasury or a Designated Debt Collection Center for Cross-Servicing (+)	
(C) At Treasury for Offset (+)	
(D) Other - must footnote (+)	
(E) Total-Currently Not Collectible Debts (1A thru 1D not mutually exclusive)	
(2) CNC Debts Closed Out During the Current FY (+)	
Section E Disposition of Closed-Out Debts	
(1) Debts Closed Out During the Previous Calendar Year (CNC and Non-CNC Debts) (+)	
(A) Reported to IRS on Form 1099-C (-)	
(B) Not Reported, Eligible for 1099-C but not required (Less than \$600) (-)	
(C) Not Reported to IRS on Form 1099-C - (must footnote) 1-(1A+1B)	0 0

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