



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

**Treasury Report  
On Receivables  
(TROR)  
and  
Debt Collection  
Activity**



Instructor – ??????????????

Date, 2014

# What is the Treasury Report on Receivables (TROR)?

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DMIS / Treasury Report on Receivables is a system that enables Federal agencies to transmit their non-tax receivable information to FMS each quarter via the Internet

- ❑ The TROR serves as a management report that indicates the **amount** of receivables owed to Federal agencies and the status of the Federal Government's non tax debt portfolio
- ✓ Data should reconcile with an agency's financial statement or equivalent

# What is the TROR?

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- ❑ A management report, not an accounting report
- ❑ Treasury's only comprehensive means for periodically collecting data on the status and condition of Federal non-tax debt
- ❑ Helps agencies manage their compliance with the Debt Collection Improvement Act (DCIA)

# What is The TROR?

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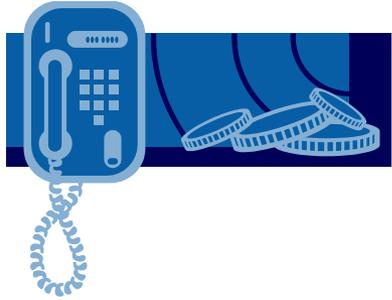
- ❑ Helps Treasury and others monitor and report on agency's performance
- ❑ Helps Treasury know the extent of the debt collection problem and what agencies need to do to fix their problems
- ❑ Information shared with Congress, OMB, and GAO, for agency performance monitoring. Disseminated to CFOs, other Federal and state officials

# What Will be Covered?

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## Improved Understanding About:

- How to report accurately & timely
- TROR line items and definitions
- The TROR agency liaison role
- Other available information, resources & guidance
- TROR best practices & tips!



# Debt Collection Overview

# WHAT IS A DEBT?

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A debt is any amount that is owed to the United States by a person, organization or entity other than a Federal agency. Some examples are:

- Loans - direct, insured and guaranteed loans
- Overpayments
- Fines and penalties

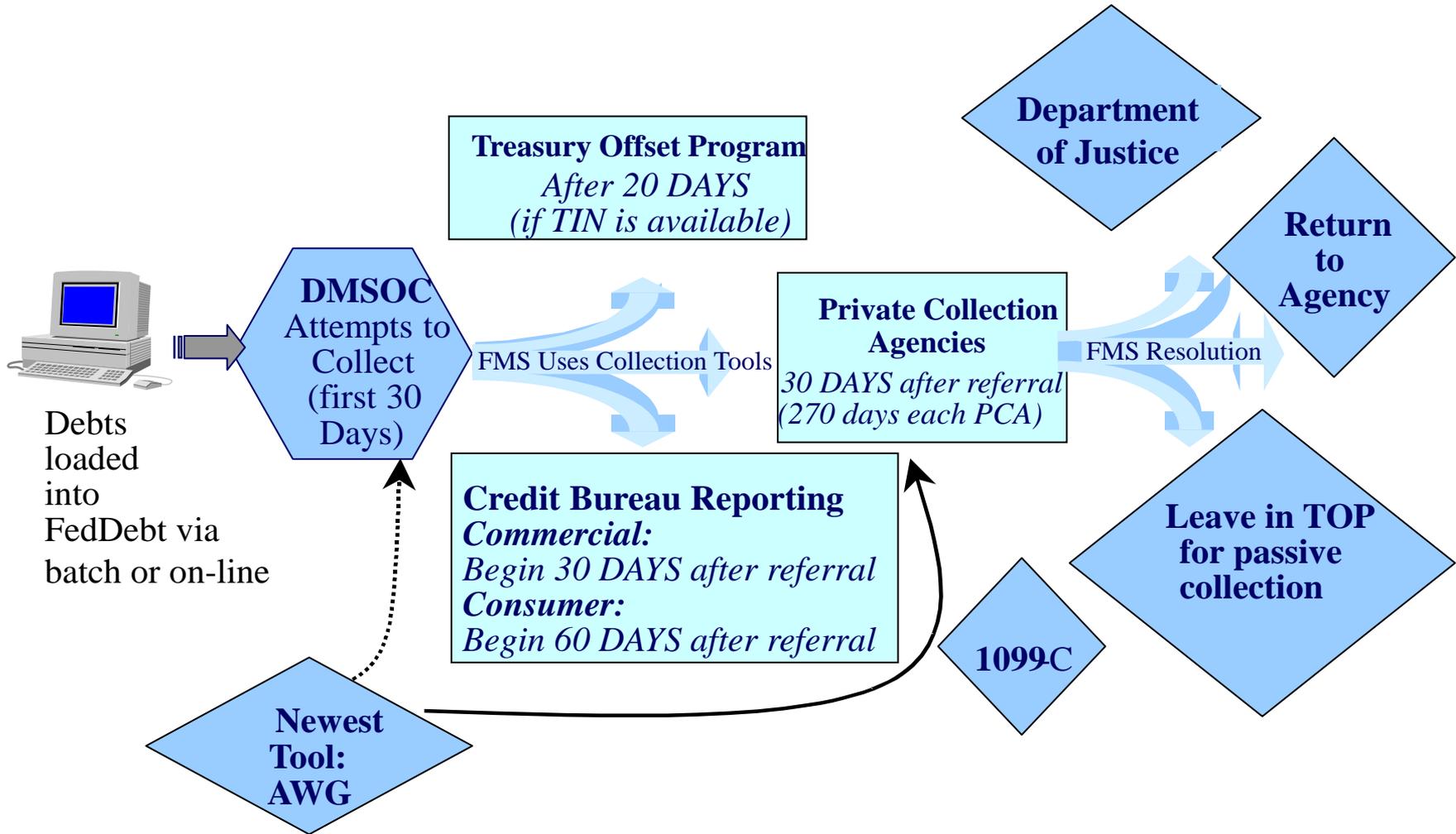
# WHAT IS A DELINQUENT DEBT?

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Delinquency defined. A debt becomes delinquent when:

- ❑ payment is not made by the due date or the end of the “grace period” as established in a loan or repayment agreement, in the case of a debt being paid in installments. The date of delinquency is the payment due date
- ❑ payment is not made by the due date specified in the initial billing notice, in the case of administrative debts such as 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

# Collection Process Overview



# Cross-Servicing Collection Tools

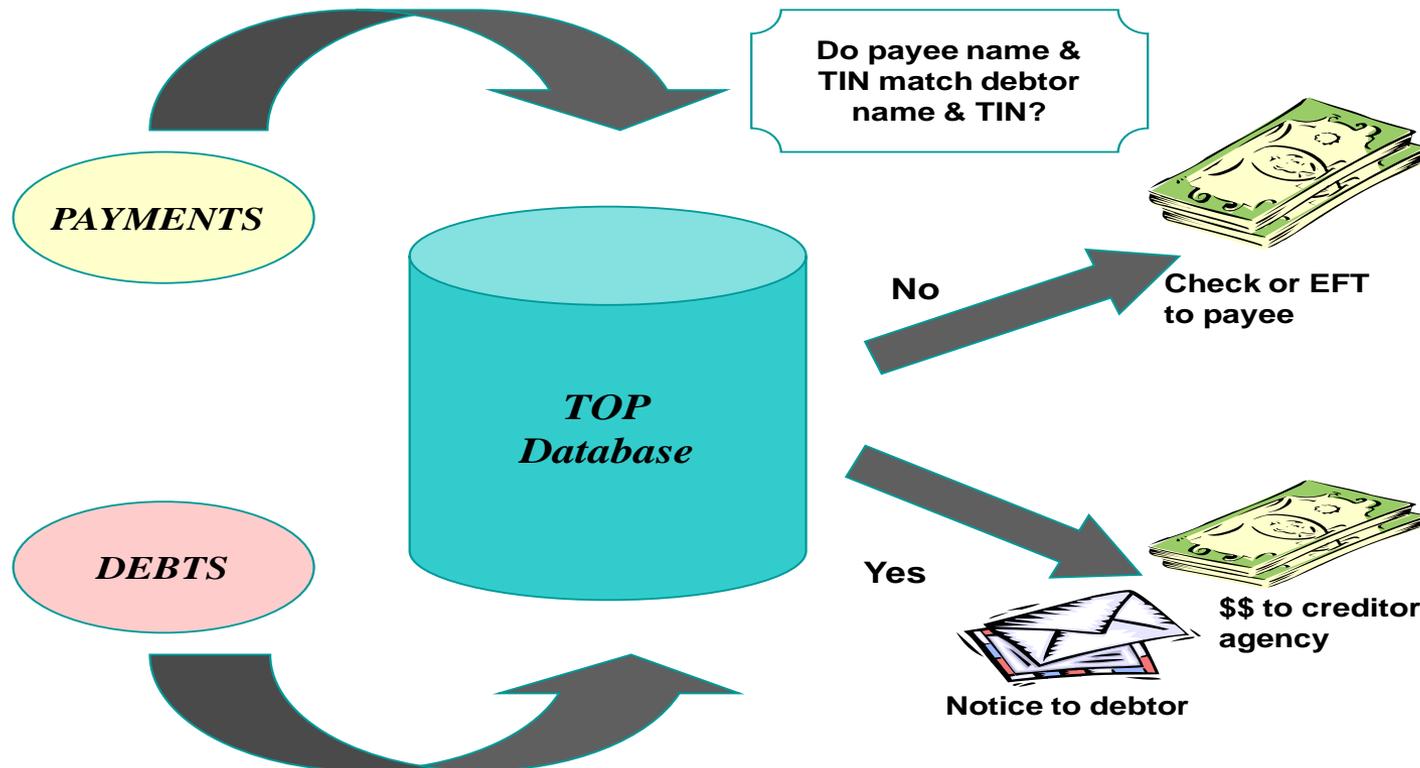
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- Demand Letters & Phone Calls
- Payment Agreement Options
- Credit Bureau Reporting
- Treasury Offset Program
- Administrative Wage Garnishment
- Private Collection Agencies
- Litigation by Department of Justice
- IRS Form 1099-C after Closeout



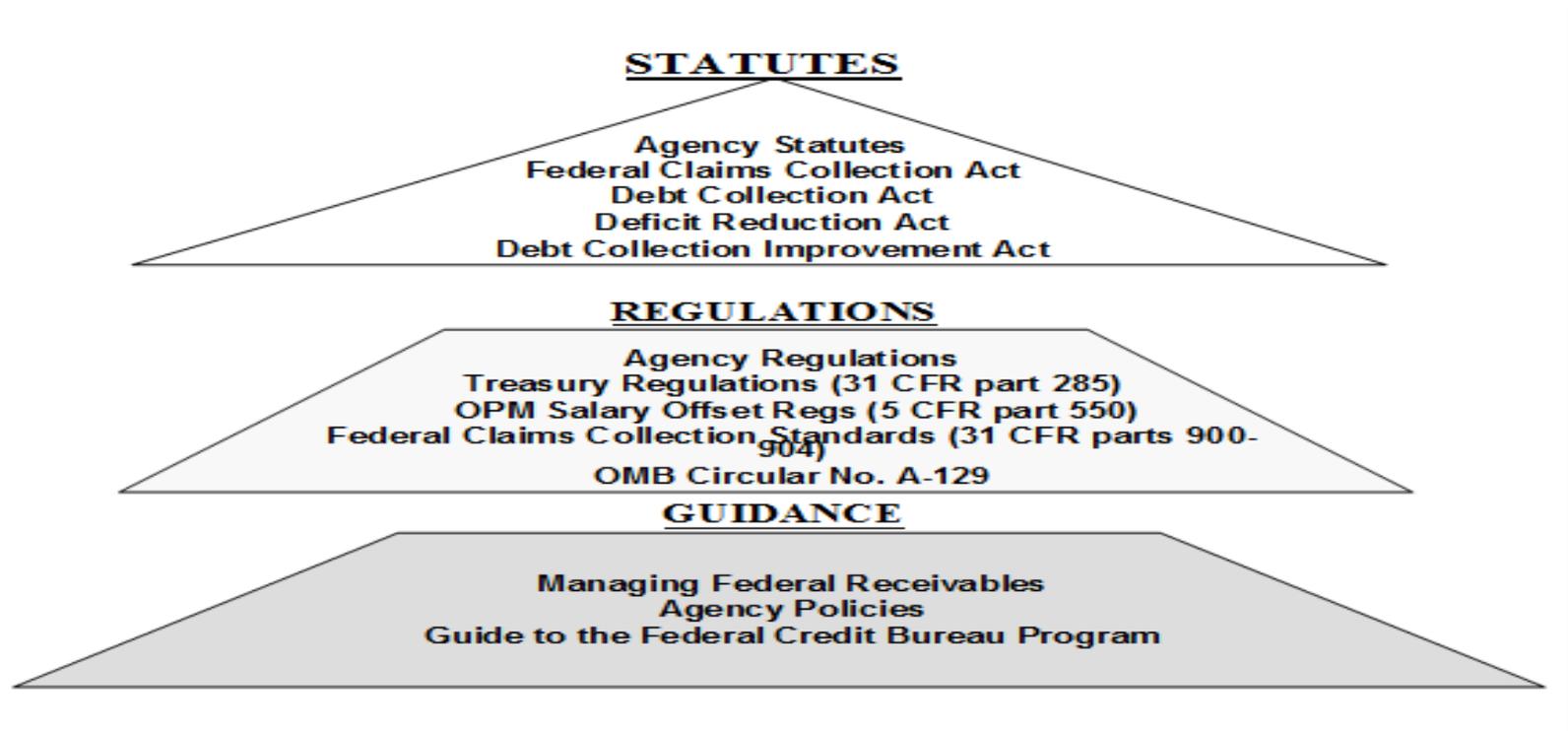
# Treasury Offset Program (TOP)

## TOP Process

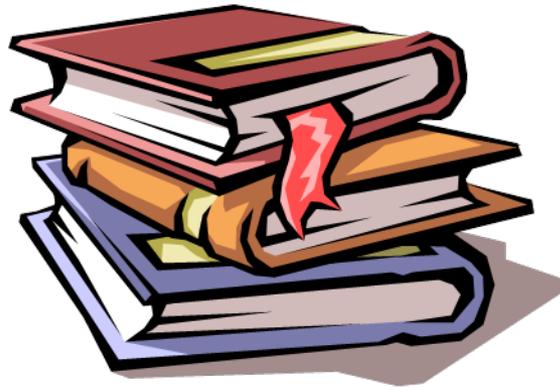


# How Laws, Regulations And Guidance Apply To Debt Collection

## The Debt Collection Authority Hierarchy



- TROR Terminology



# Terminology

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- **Write-off** – accounting action that results in reporting the debt as having no value on the agency's financial and management reports

# Termination of Collection, Write-Off, Use of Currently Not Collectible (CNC), and Close-Out

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*“Generally, write-off is mandatory for delinquent debt older than two years unless documented and justified to OMB in consultation with Treasury. Once the debt is written-off, the agency must either classify the debt as currently not collectible (CNC) or close-out the debt...”*

## REFERENCES:

### Statutory

31 U.S.C. § 3711; 26 C.F.R Part 1. 6050P-O, 26 C.F.R Part 1.6050P-1

### Regulatory

31 C.F.R. Part 903 Federal Claims Collection Standards, 26 C.F.R.Part 1.6050P-1

### Guidance

FCPWG Final Report on Write-off Policy, Dated 12/15/98, Treasury/FMS "Managing Federal Receivables"

## OMB's Circular A-129:

<http://www.whitehouse.gov/omb/circulars/a129/a129rev.html>

# Terminology

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## Write-Off

Two Steps:

1. Write-off
2. After write-off debt must be classified as either:
  - Currently Not Collectible (CNC)*
  - or
  - Close-out*

# Terminology

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## Write-Off and (CNC)

- ❑ **Currently Not Collectible (CNC)** – debt classification after write-off used when agency intends to continue cost effective debt collection action
  - ✓ Establish accounting procedures to maintain CNC Debt

# Terminology

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## Write-Off and Close-out

- ❑ **Close-out** – debt classification after write-off when agency does not intend to continue debt collection action
  - ✓ Must take all appropriate steps to collect a debt prior to close-out including, as applicable, referral to Treasury for TOP and cross-servicing
  - ✓ Must determine if closed-out debt must be reported to the IRS on form 1099-C

# Terminology

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## Write Off and Close-Out 1099C

- ❑ Cancellation (or Discharge) of indebtedness – reporting a debt to the Internal Revenue Service on a form 1099-C following an “identifiable event”
- ❑ Examples of “identifiable events” include compromise, discharge in bankruptcy, and termination of collection action

# Treasury Reports On Receivables and Debt Collection Activities

*Instruction and Overview*

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# Report on Receivables Due From the Public

Reporting Entity Code: \_\_\_\_\_ Fiscal Year: \_\_\_\_\_ Quarter: \_\_\_\_\_

Type of Receivable:      Direct  
Loans:      Defaulted Guaranteed Loans:      Administrative:  
\_\_\_\_\_

# Part I, Section A – Receivables and Collections

Part I - Status of Receivables		
	Number	Dollars
<b>Section A Receivables and Collections</b>		
(1) Beginning FY Balance		
(2) New Receivables (+)		
(3) Accruals (+)		
(4) Collections on Receivables (-)		
(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 -)		
(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 (-)		
(A) Currently Not Collectible (-)		
(B) Written Off and Closed Out (-)		
(7) Ending Balance		

# Part I, Section B – Additional Receivables Information

***\*New for FY14 Reporting***  
**OMB A-129 CNC Exclusion**

<b>Section B Additional Receivables Data (Information Only)</b>		
(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 (+)		
<b>(F) A-129 Justification for CNC Exclusions (+)</b>		

# Part I, Section C - Delinquent Debt (Excluding CNC Debts)

***\*New FY14 Reporting Requirement***  
**Number of Delinquent Debts by Age**  
**and**  
**Credit Bureau Reporting**

<b>Section C Delinquent Debt (Excluding CNC Debts)</b>	
(1) Delinquencies by Age	
(A) 1-90 Days (+)	
(B) 91-180 Days (+)	
(C) 181-365 Days (+)	
(D) 1-2 Years (+)	
(E) 2-6 Years (+)	
(F) 6-10 Years (+)	
(G) Over 10 Years (+)	
<b>(H) Total Delinquencies by Age</b>	
(2) Delinquencies by Category	
(A) Commercial (+)	
(B) Consumer (+)	
(C) Foreign/Sovereign Government (+)	
(D) State and Local Government (+)	
(E) <b>Total Delinquencies by Category</b>	
<b>(3) Credit Bureau Reporting (Information Only)</b>	
(A) <b>Commercial (+)</b>	
(B) <b>Consumer (+)</b>	

# Part II, Section A - Delinquent Debt 180 Days or Less

## \*FY14 Reporting Enhancement

Part II - Debt Management Tool and Technique Performance Data		
	Number	Dollars
<b>Section A Delinquent Debt 180 Days or Less</b>		
(1) Delinquencies 1-180 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 (+)		
<b>(L) Total Delinquencies 1-180 Days</b>		

# Part II, Section B-Line Item (1) - Debt Eligible for Referral to Treasury For Collection

**\*FY14 Reporting Enhancement**

Section B Delinquent Debt (Over 180 Days Delinquent) Eligible for Referral to Treasury for Offset and Cross-Servicing	
<b>(1) Debt Eligible for Referral to Treasury for Collection</b>	
<b>(A) Delinquent Debt Over 180 Days (+)</b>	
<b>(B) Currently Not Collectible Debt (+)</b>	
(C) Total Delinquent Debt Over 180 Days and CNC Debts	
<b>Debts Ineligible for Treasury Offset Program (TOP) and Cross-Servicing (lines D through G)</b>	
(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 Collection	

# Part II, Section B-Line Item (2) - Debt Eligible for Referral to Treasury Offset Program

**\*FY14 Reporting Enhancement**

(2) Debt Eligible for Referral to Treasury Offset Program		
(A) Debt Eligible for Referral to Treasury for Collection (from 1H)		
<b>(B) Foreign/Sovereign Debt (-)</b>		
(C) Debt in Litigation for Enforced Collection (-)		
(D) Other - must footnote (+ or -)		
(E) Debt Required to be Referred to Treasury Offset Program by Agency		
(F) Debt Referred to Treasury Offset Program (-)		
(G) Debt Referred to Treasury Offset Program through Cross-Servicing (-)		
(H) Balance Remaining to be Referred		

# Part II, Section B- Line Item (3) Debt Eligible for Referral to Treasury or a Designated Debt Collection Center for Cross Servicing

**\*FY14 Reporting Enhancement**

(3) Debt Eligible for Referral to Treasury or a Designated Debt Collection Center for Cross-Servicing	
(A) Debt Eligible for Referral to Treasury for Collection (from 1H)	
<b>(B) Foreign/Sovereign Debt (-)</b>	
(C) Debt in Litigation for Enforced Collection (-)	
(D) At Private Collection Agencies (-)	
(E) In the Process of Internal Offset (-)	
(F) Debt Exempted by Treasury from Cross-Servicing (-)	
(G) Debt Returned from Cross-Servicing (-)	
(H) Other - must footnote (+ or -)	
(I) Debt Required to be Referred to Treasury or a Designated Debt Collection Center for Cross-Servicing	
(J) Debt Referred to Treasury or a Designated Debt Collection Center for Cross-Servicing (-)	
(K) Balance Remaining to be Referred	

# FedDebt Reports

## Agency Reconciliation Report

Agency Reconciliation Report  
 Report Run Date: 03/13/2009  
 Agency: 01 , Bureau: X201 , Office: FDR , Program: XZ1T  
 Debt State: ALL

Agn.	Bur.	Off.	Prg.	FedDebt Debt ID	FedDebt Case ID	Agency Debt ID	TIN	L. Name/Bus.	F. Name	Balance	Principal	Interest	Penalty	Adm. Cost	Location	PCA	TOP
01	X201	FDR	XZ1T	2009000101	2009000101A	Foreign		Foreign	John	772.89	500.00	119.86	128.03	25.00	CA	.	N
01	X201	FDR	XZ1T	2009000301	2009000301A	Training 10		Debtor	Edward	1,124.93	920.00	91.15	88.78	25.00	CA	.	N
01	X201	FDR	XZ1T	2009000401	2009000401A	GEAUXSAINTS001		Smith	Joe	977.89	750.00	90.86	112.03	25.00	CA	.	N
01	X201	FDR	XZ1T	2009000501	2009000501A	123TEST		Smith	John	5,378.08	5,000.00	131.23	146.85	100.00	CA	.	N
*TOTAL AT CA										8,253.79	7,170.00	433.10	475.69	175.00			
*TOTAL COMB 01X201FDRXZ1T										8,253.79	7,170.00	433.10	475.69	175.00			
TOTAL DEBT COUNT FOR AT CA:										4							
TOTAL DEBT COUNT FOR 01X201FDRXZ1T:										4							

# FedDebt Reports

## Return to Agency (RTA) Report

### FedDebt Reports

ver 7.15.0

**Creditor Agency RTA Report**  
**Dated: 03/13/09 13.58.23**

**P001.01**

**For Agency Code 01**  
**For Bureau Code X201**  
**For Office Code FDR**  
**For Program Code XZ1T**  
**For cases closed after 01/01/2009**  
**For cases returned before 03/13/2009**  
**For Return Reason: All**

Debt ID 2009000401 Case ID 2009000401A File ID GEAUXSAINTS001  
Return reason Recall Approved Recommended action -  
Returned Date 2009/02/26 Closed Date 2009/02/26  
Debt balance 977.89 Remaining principal 750.00  
Remaining interest 90.86 Remaining admin cost 25.00 Remaining penalty 112.03  
Recall status A  
Compromised No Compromised date Forgiven amount .00  
Bankruptcy desc N Bankruptcy date  
Agency debtor ID 111222 PCA referral count 0  
Debtor name Smith, Joe M  
Address 123 Bourbon St New Orleans LA 70124  
Phone Phone-504-555-1234 X  
TIN TIN type -  
Date of death - Fed civilian status A Fed military status A  
Employer name  
Work contact  
Address  
Phone  
Date of incorporation - State of incorporation - DUNS number -  
Business contact  
Address  
Phone

# FedDebt Reports

## New Case Entry Report



**NEW CASE ENTRY REPORT**  
**DATE RANGE: 01/01/2009 TO: 03/13/2009**

**B00301**

**AGENCY: - FedDebt Training Agency**  
**BUREAU: - General Training**  
**REFERRING OFFICE: - FedDebt Training Facility**

Agency File ID	FedDebt Debt ID	FedDebt Case ID	DEBTOR NAME	Tin	Referred Balance	Entry	Entry Date
123TEST	2009-000501	2009000501A	John, Smith	- -	\$ 5,300.00	Manual	02/27/2009
Danielle	2009-000502	2009000502A	John, Smith	- -	107,000.00	Manual	02/27/2009
Example01	2009-000001	2009000001A	Bobbie, Debtor	- -	650.00	Manual	01/15/2009
Example01	2009-000001	2009000001B	John, Debtor	- -	650.00	Manual	01/15/2009
Example03	2009-000002	2009000002A	Music Mega Store and More	- -	5,200.00	Manual	01/15/2009
Example04	2009-000003	2009000003A	Chris, Cross	- -	1,070.00	Manual	01/15/2009
Example05	2009-000201	2009000201A	Ima, Example	- -	9,175.00	Manual	02/05/2009
Foreign	2009-000101	2009000101A	John, Foreign	- -	725.00	Manual	01/23/2009
GEAUXSAINTS001	2009-000401	2009000401A	Joe, Smith	- -	800.00	Manual	02/26/2009
Training 10	2009-000301	2009000301A	Edward, Debtor	- -	1,225.00	Manual	02/11/2009

**Total number of Debts for XZ1T FedDebt Accounts Receivable : 9** **Amount : 131,145.00**

**Total number of Debts for above pgms in FDR FedDebt Training Facility : 9** **Amount : 131,145.00**

# FedDebt Reports

## Financial Activity Summary Report

PAGE 1

FedDebt

Ad-Hoc Financial Activity Summary Report

L00102  
07.13.0

For: 06/01/2008 through: 06/30/2008

Agency:

Agency Code:  
Office Code:

Bureau Code:  
Program Code:

Component	Beginning Balance This Period	New Referrals This Period	Net Collections This Period	Net Adjustments This Period	Return to Agency This Period	Ending Balance This Period *
Principal	\$881,013.35	\$937,913.24	\$10,600.49	(\$117.93)	\$271.79	\$1,807,936.38
Interest	\$26,638.04	\$23,094.82	\$411.21	\$0.00	\$6.33	\$59,355.56
Admin Cost	\$7,842.15	\$1,010.00	\$258.33	\$0.00	\$0.00	\$8,593.82
Penalty	\$202,262.51	\$34,189.04	\$2,275.20	\$0.00	\$18.99	\$250,076.09
<b>Total</b>	<b>\$1,117,756.05</b>	<b>\$996,207.10</b>	<b>\$13,545.23</b>	<b>(\$117.93)</b>	<b>\$297.11</b>	<b>\$2,125,961.85</b>

DMS Fees	\$575.07
TOP Fees	\$612.00
PCA Fees	\$1,302.96
DOJ Fees	\$0.00

Total Fees	\$2,490.03
Overage	\$644.42

**TOTAL**  
(Total Net Collections + Total Fees + Overage) **\$16,679.68**

Beginning Debt Count at FedDebt:	881
New Referrals to FedDebt:	72
Debts RTA this Period:	-33
Ending Debt Count at FedDebt:	920

Report Date: 07/18/2008 14:59:49

\* Includes accruals through end of period

# Part II, Section C- Collections on Delinquent Debt

Part II - Debt Management Tool and Technique Performance Data		
	Number	Dollars
<b>Section C Collections on Delinquent Debt</b>		
(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 (+)		
<b>(K) Total Collections on Delinquent Debt</b>		

# Part II, Section D-CNC Debt Status

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 (+)		
<b>(E) Total-Currently Not Collectible Debts (1A thru 1D not mutually exclusive)</b>		
(2) CNC Debts Closed Out During the Current FY (+)		

# Part II, Section E-Disposition of Closed-Out Debts

**\*New FY14 Reporting Requirement  
1099-C Reporting**

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>(B) Not Reported, Eligible for 1099-C, but not required (Less than \$600) (-)</b>	
<b>(C) Not Reported to IRS on Form 1099-C - (must footnote) 1- (1A+1B)</b>	

# FOOTNOTES

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- Footnotes are needed whenever an agency's criterion is inconsistent with Treasury's definition of data requirements
- Write a clear, concise narrative
- Make it easily understandable to the lay person
- Make reference to the appropriate line items in the TROR
- Reference issues/changes to monetary amounts and its reporting impact
- Avoid the use of acronyms

# After the Footnotes Section, Part III You'll See ...

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## Agency Contact Information

Preparer's Name: \_\_\_\_\_

Preparer's Facsimile No.: \_\_\_\_\_

Supervisor's Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Telephone Number:

\_\_\_\_\_

E-Mail Address:

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Zip Code: \_\_\_\_\_

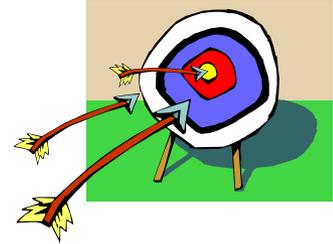
# TROR Changes Effective 1<sup>st</sup> Qtr FY14

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- Number of Delinquent Receivables
- Credit Bureau Reporting (CBR)
- Currently Not Collectible (CNC) Exclusion
- Additional 1099C Information
- New Instructional Workbook
- Edits for Easier Validation

# Targeted Improvements

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- Accuracy of reporting
- Streamline the report
- Make the report simpler
- Capture data of greater relevance
- Represent the needs of all federal agencies

# Additional TROR Information



# Data Management, Reporting, & Analysis Division

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## Comprised of:

- Business Analytics Branch
- Portfolio Management & Analysis Branch (PMAB)

# Business Analytics Branch

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- ❑ Researches debt collection policy and communicates meaningful patterns of data relating to initiatives that result from senior level management decisions
- ❑ Provides its analysis through the simultaneous use of statistics, computer programming, and operations research to quantify performance



# Portfolio Management & Analysis Branch(PMAB)

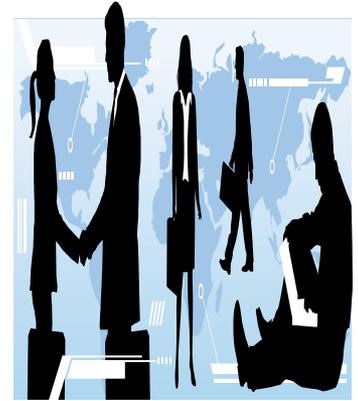
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- ❑ Analysts assigned to all CFO and Non-CFO agencies
- ❑ Assist FPAs to ensure accuracy of TROR reporting
- ❑ Support DMSOC with FPAs cross-servicing issues
- ❑ Initiate and maintain relationships with FPAs on all debt collection matters

# How your PMAB Analyst Works with You

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- ❑ Tailored TROR sessions for agencies
- ❑ Ongoing information exchange to keep you informed about initiatives and agency reporting issues
- ❑ Meetings as needed with the appropriate representatives (i.e. Cross-Servicing, TOP, etc.)
- ❑ TROR analysis and instructions
- ❑ DMS updates on new programs or changes in policy
- ❑ Support to the agency's CFO offices in strategizing improvements



# What Can the Agencies Provide to PMAB to Optimize Performance?

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- ✓ Share TROR information before submission to identify any potential errors
- ✓ Provide information on the substance of an agency's debts (i.e. some debts may be reported as eligible but should not be reported)
- ✓ Attend training and workshops that are offered
- ✓ Notify agency liaison of referral issues that are expected
- ✓ Keep TROR analyst informed of agency issues, such as, changes of program structure and personnel

# Additional Debt Management Information!

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## Annual DMS Certifications/Verifications and Assessments

- ✓ Cross-Servicing/TOP Certifications (Now Combined)
- ✓ TROR Certification/Verification
- ✓ DMS Agency Assessment Scorecard
- ✓ FedDebt Certification

## For TROR Information & Updates:

[http://fms.treas.gov/debt/dmrpts\\_tror.html](http://fms.treas.gov/debt/dmrpts_tror.html)

## Managing Federal Receivables:

[http://fms.treas.gov/debt/Guidance\\_MFR.html](http://fms.treas.gov/debt/Guidance_MFR.html)

# Contact Information (202)-874-6810

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David Saltiel, Director  
*Data Management & Reporting, & Analysis Division*

Terrence Prince, Manager  
*Portfolio Management & Analysis Branch*

Brian Taylor, Manager  
*Agency Education & Training Branch*

# Questions

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