



# Department of Veterans Affairs Debt Management Center (DMC)

School Certifying Officials Workshop Presentation



# Overview



- **About DMC**
- **Debt Establishment**
- **The Collection Process**
- **Making Payment to DMC**
- **The Treasury Offset Program (TOP)**
- **FAQ**



# About DMC



# DMC Mission Statement



The Debt Management Center provides distinctive, high quality accounts receivable services through a compassionate and value-added approach, empowering our stakeholders to focus on core missions.



Bishop Henry Whipple Federal Building



Warren Burger Federal Building



# DMC Notes



- Debt Management Center (DMC) was established in July 1991.
- We are located with the VA Regional Office in St. Paul, MN.
  - Satellite office in Warren Burger Federal Courthouse downtown St. Paul
- We provide debt collection services:
  - Veterans Benefits Administration (VBA)
    - Compensation
    - Pension
    - Vocational Rehabilitation
    - Education
    - Home Loan Guaranty
  - Veterans Health Administration (VHA)
    - First party medical
  - National Cemetery Administration (NCA)
- We service approximately 600,000 accounts and collect \$1.5 billion annually.
- Staff of approximately 250 employees; 40% are Veterans
  - FY17 projected growth to 275 FTE



# Debt Establishment



# The 7 Reasons A School Debt (75B) Is Established



- Student never attended classes
- Student completely withdrew on or before the first day
- Student passed away during or before the term started
- School received a payment for the wrong student
- School received a duplicate payment
- School submitted an amended certification to report reduced tuition and fee charges and/or Yellow Ribbon
- VA issued payment above the amount certified

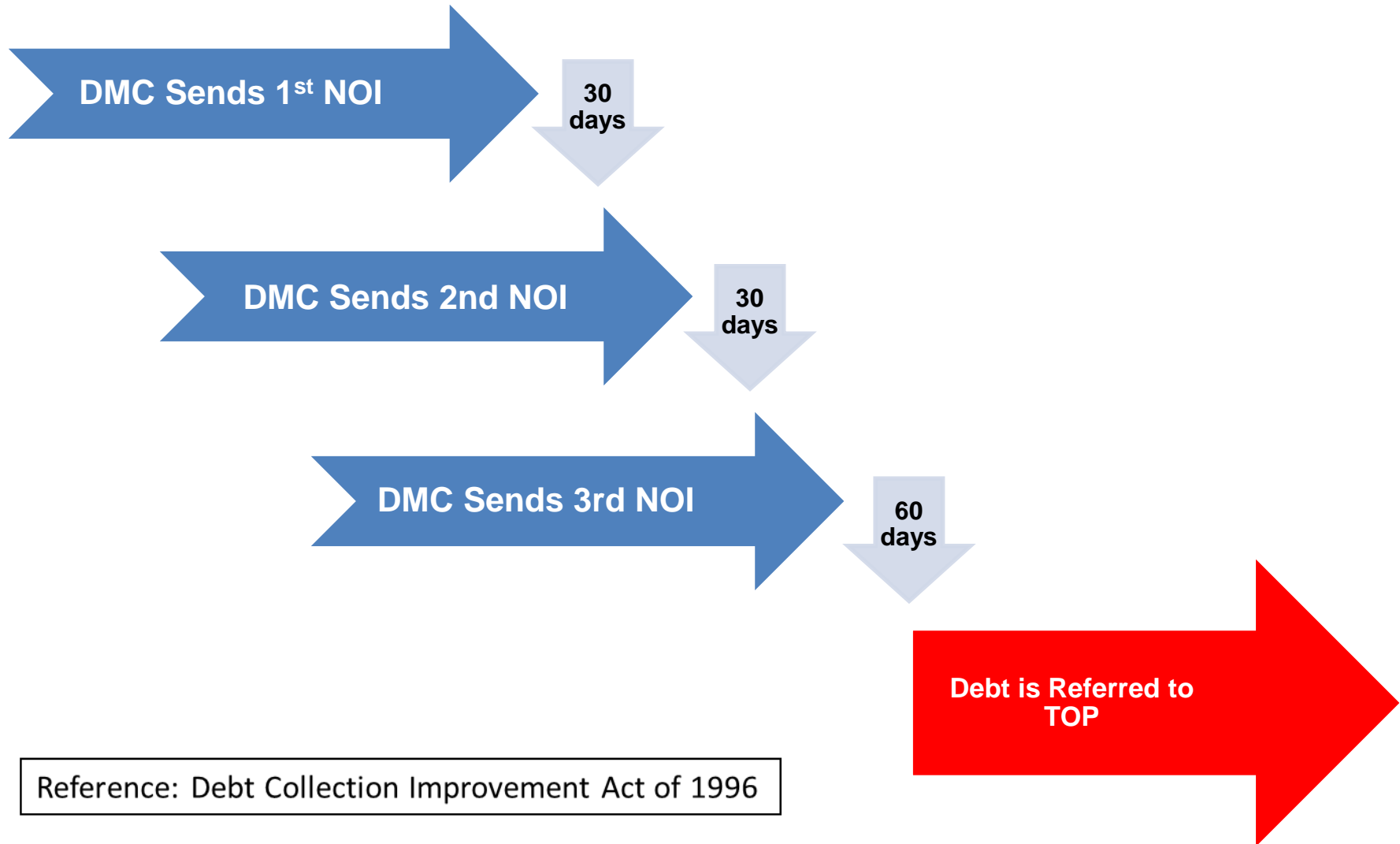


# The Collection Process





# The Collection Process



Reference: Debt Collection Improvement Act of 1996



# First Notification Letter



DEPARTMENT OF VETERANS AFFAIRS  
Debt Management Center  
Bishop Henry Whipple Federal Building  
P.O. Box 11930  
St. Paul, MN 55111-0930

SEPTEMBER 4, 2015

# 000000001 I=0000  
11 SP 0.485



File Number:  
Payee Number: 00  
Person Entitled:  
Deduction Code: 75  
E-Mail Address: dmcedu.vbaspl@va.gov  
(Please provide the information above on any e-mail correspondence)

File Number:  
Payee Number:  
Person Entitled:  
Deduction Code:  
E-Mail Address: dmcedu.vbaspl@va.gov  
(Please provide the information above on any e-mail correspondence)

The Department of Veterans Affairs recently notified you that education benefits were adjusted due to non-entitlement. Since the funds for this enrollment were sent directly to the school, we ask that you return these funds.

Student Name: Facility: Amt: \$  
Term Dates(s): 08/31/2015-09/27/2015 08/03/2015-08/30/2015

### WHAT ARE YOUR RIGHTS?

You have the right to contest either the existence or amount of the debt. Your request should be submitted in writing and should explain why you are contesting the debt. You have the right to inspect and copy VA records associated with the debt. You have an opportunity for a review with the Agency of the decision related to the establishment of the debt.

### WHAT WILL HAPPEN IF YOU IGNORE THIS NOTICE?

If the debt remains unpaid, your account could be referred to the Department of the Treasury for offset under the Treasury Offset Program. If the debt is scheduled for referral to Treasury and we hear from you within 30 days of the referral notice, exercising one of the rights described above, we will suspend referral until the issue has been addressed.

### WHERE DO YOU CALL IF YOU HAVE QUESTIONS?

If you have questions regarding payment of the debt, you should contact the VA Debt Management Center at 1-800-827-0648. Payment options are described on the back of this letter. Our office hours are 7:30 AM to 6:00 PM Central Time. Please note that we experience our highest call volumes on Mondays and throughout the first week of each month. By avoiding these peak times, you will minimize your wait time. Your call may be monitored to ensure quality information. You can also contact us via e-mail at [dmcedu.vbaspl@va.gov](mailto:dmcedu.vbaspl@va.gov). If you have questions regarding specific Veterans or payments, please submit a separate inquiry for each.

FOR PROPER CREDIT TO YOUR ACCOUNT, PLEASE DETACH AND RETURN WITH YOUR PAYMENT

Department of Veterans Affairs 2015247 PAYMENT REMITTANCE

* FILE NO.		AMOUNT ENCLOSED	ENTER YOUR CURRENT ADDRESS BELOW ONLY IF THE ONE ABOVE IS INCORRECT. PLEASE INCLUDE YOUR ZIP CODE.
PAYEE NO.	00	\$	
PERSON ENTITLED		YOUR TELEPHONE NO. (Include Area Code)	
DEDUCTION CODE	75		

\* Please include this number on your check or money order.



# Third Notification Letter



DEPARTMENT OF VETERANS AFFAIRS  
Debt Management Center  
Bishop Henry Whipple Federal Building  
P.O. Box 11930  
St. Paul, MN 55111-0930

File Num  
Payee Nu  
Person E  
Deducto  
E-Mail A  
Please c  
on any e

**You have a delinquent student tuition debt for** with **Affairs. The balance is \$** We have tried to contact you on numerous occasions to satisfy this debt. If you do not pay the balance in full or establish a satisfactory payment agreement within 60 days, we will refer your debt to the Department of the Treasury for offset under the Treasury Offset Program (TOP).

Under TOP, the Department of the Treasury will collect this debt by reducing or withholding Federal and State payment(s), not protected by law, to which you are entitled. This offset process is authorized by the Debt Collection Improvement Act of 1996. (VA benefits on behalf of a student are typically protected by law.)

Before we refer your debt to TOP, we are required to tell you that you have the right to inspect and copy records related to the debt. If you have questions about the repayment process, please call our office on the toll-free number shown below.

You must pay the debt in full or establish a satisfactory payment plan with our office within 60 days of the date of this letter to avoid referral to TOP. Please include the remittance stub at the bottom of this letter with any payment you send to our office. If you have any questions regarding the debt or actions you need to take to prevent referral, please call us toll-free at 1-800-827-0648 or email us at [dmcedu.vhaspl@va.gov](mailto:dmcedu.vhaspl@va.gov). Our normal business hours are Monday through Friday from 7:30 am to 12:15 pm and 12:45 pm to 6:00 pm Central Time. We experience our highest call volumes on Mondays and through out the first week of the month. By avoiding these peak times, you will minimize your wait time. Your call may be monitored to ensure quality information.

**You have a delinquent student tuition debt for** with **the Department of Veterans Affairs. The balance is \$** We have tried to contact you on numerous occasions to satisfy this debt. If you do not pay the balance in full or establish a satisfactory payment agreement within 60 days, we will refer your debt to the Department of the Treasury for offset under the Treasury Offset Program (TOP).

Under TOP, the Department of the Treasury will collect this debt by reducing or withholding Federal and State payment(s), not protected by law, to which you are entitled. This offset process is authorized by the Debt Collection Improvement Act of 1996. (VA benefits on behalf of a student are typically protected by law.)

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Chief, Operations Division

FOR PROPER CREDIT TO YOUR ACCOUNT, PLEASE DETACH AND RETURN WITH YOUR PAYMENT

Department of Veterans Affairs **PAYMENT REMITTANCE**

* FILE NO.	AMOUNT ENCLOSED	ENTER YOUR CURRENT ADDRESS BELOW ONLY IF THE ONE ABOVE IS INCORRECT. PLEASE INCLUDE YOUR ZIP CODE.
PAYEE NO.	\$	
PERSON ENTITLED	YOUR TELEPHONE NO. (Include Area Code)	
DEDUCTION CODE		

\* Please include this number on your check or money order.

FL 4-877, SEP 2012



# Making Payment to DMC



# Helpful Tips



- Make sure a debt has been established before sending funds to DMC
- Sending a payment without verifying that a debt exists or without including the payment stub from the DMC letter, will delay application of your payment

FOR PROPER CREDIT TO YOUR ACCOUNT, PLEASE DETACH AND RETURN WITH YOUR PAYMENT

Department of Veterans Affairs **PAYMENT REMITTANCE**

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PAYEE NO.		\$	
PERSON ENTITLED		YOUR TELEPHONE NO. (Include Area Code)	
DEDUCTION CODE	75		

\* Please include this number on your check or money order.

FD-6198B, JUL 2015



# Making Payment to DMC



Pay by check: mail the check and letter to:

VA Debt Management Center  
Bishop Henry Whipple Federal Building  
P.O. Box 11930  
St. Paul, MN 55111-0930

- Include the student's full name and SSN on the check payable to U.S. Department of Veterans Affairs
- Up to 25 students on one check with an itemized spreadsheet, listing full names, SSN and amounts
- Include letter explaining why the funds are being returned



# Making Payment to DMC



Return electronic payment:

- Payments received through EFT can be returned through your bank/financial institution using return code R31
- VA Tax ID Number is: 741612229

***NOTE:*** You can only send the **FULL** amount back. You cannot return a partial amount through EFT



# Making Payment to DMC



Pay online: [www.pay.va.gov](http://www.pay.va.gov)

- Use a major credit card, debit card, or EFT transfer from a checking or savings account
- Over the telephone: 1-800-827-0648





# Making Payment to DMC



Return **un-cashed** hard copy check(s) to:

U.S. Department of the Treasury  
Financial Management Service  
P.O. Box 51318  
Philadelphia, PA 19115-6316

**NOTE:** Notify DMC via email that you have returned this amount to Treasury. These funds will **NOT** be automatically applied to any overpayment.



# Treasury Offset Program (TOP)



# What is TOP?



- A centralized offset program managed and operated by the Department of Treasury's Financial Management Services (FMS)
- Federal agencies are required by law to submit delinquent debts to TOP
- TOP offsets payments based on a payee's taxpayer identification number (TIN) and name
- Pursuant to regulations governing TOP, all subdivisions or organizations sharing a single TIN are responsible for all debts associated with that TIN
- Before submitting a debt to TOP, a creditor agency must certify that the agency complied with all the due process pre-requisites prior to offset



# Why Refer To TOP?



- The Debt Collection Act of 1982
  - Provided statutory authority for federal agencies to collect debts through administrative offset
- The Debt Collection Improvement Act (DCIA) of 1996
  - Expanded statutory authority for Treasury Offset Program (TOP) by requiring agencies to transfer delinquent non-tax debt at 180 days to Treasury's Financial Management Service (FMS)
  - Provides a mandatory government wide delinquent debt matching and payment offset system
- Digital Accountability and Transparency Act (DATA) of 2014
  - Amends the DCIA to refer delinquent non-tax debts from 180 days to 120 days.



# How To Contact TOP



**Schools may contact TOP by calling the TOP Call Center:  
1-800-304-3107**

In order to provide you with information about an offset, Treasury will need to know:

- The caller's name, department and job title. The job title will need to indicate a need-to-know position.
- At least one of the following:
  - date of the payment
  - amount of the original payment
  - amount of the offset



# Frequently Asked Questions



# How Do I Submit An Inquiry Or Dispute To DMC?



- Emailing [dmcedu.vbaspl@va.gov](mailto:dmcedu.vbaspl@va.gov) is the best method for submitting a school debt dispute or inquiry
- Please include the following information in your email:
  - The student's First Initial, Middle Initial, and last Name
  - The last four digits of the student's File Number or SSN
  - Your school's name and facility code
  - The debt amount you are disputing/inquiring about
  - A detailed explanation



# What Happens When DMC Receives My Inquiry?



- If DMC can address the inquiry or dispute, we provide a response
- If a review by the RPO is needed, we forward your inquiry to the RPO for review
- Collection action on the account is suspended until the inquiry is resolved, unless the account has already been referred to the Treasury Offset Program (TOP)
- Once the RPO notifies us that their review is complete, we contact you regarding their findings and any change in collection status
- Responses from the RPO should be received within 30 days. Disputes are tracked by DMC on a recurring basis





# What If I Have Funds To Return But No School Debt?



Review the 7 reasons that debts are established for schools and verify that certifications are up to date

- If the SCO Handbook indicates the debt should **not** be assessed to the school, your school should follow its internal guidelines for issuing a refund to the student
- If the SCO Handbook indicates the debt should be assessed to the school, contact your RPO of jurisdiction directly to ask them to establish the debt



# Can I Send One Check For Multiple Students?



- Yes, **AND**, you should send the **original** remittance stubs with your payment and a list with the file numbers and dollar amounts the check covers
- Make sure that the check total equals the amount of debts you want it applied to
- If you send additional funds and DMC does not know what debt to apply them to, DMC may have to return the check to you



# How Can Schools Help A Student With A VA debt?



All information regarding the debt will be sent to the student.

Encourage the student to contact DMC as soon as possible.

The initial student debt notification from DMC contains a form notifying debtor of their rights and obligations, the student can also request this information by calling DMC.

DMC's website is a good resource: [www.va.gov/debtman](http://www.va.gov/debtman)



# Student vs. School Debt Resolution Toolbox



RPO of Jurisdiction evaluates certifications and payments

Student Debt

Student contacts DMC

Pay in Full  
Waiver  
Reduced Benefit Offset  
Dispute  
Payment Plan  
Compromise

No Action

Benefits offset in Full  
Referral to:  
TOP  
Cross-Servicing  
Credit Reporting  
CAIVRS

School Debt

School contacts DMC

Pay in Full  
Dispute

No Action

Referral to  
TOP



# Toolbox





# How Can A School Pay A Student's Tuition Debt?



If the DMC receives a payment from a school, in order to apply it to a student debt we **must** receive one of the following with the check:

1. The remittance stub for the student debt
2. A letter specifically stating that the school wants to pay the student debt

**PLEASE NOTE:** If there is no school debt and DMC receives a payment from a school without one of the above items, or if the payment DMC receives for the student is for more than the amount of the student debt, the payment will be forwarded to Muskogee for processing.



# How Do I Contact DMC Directly?



School e-mail inquiries:

[dmcedu.vbaspl@va.gov](mailto:dmcedu.vbaspl@va.gov)

Veteran e-mail inquiries:

[dmcops.vbaspl@va.gov](mailto:dmcops.vbaspl@va.gov)

Toll free number to our DMC call center:

1-800-827-0648

612-970-5782 fax



# What If I Have A Debt Issue That Isn't Getting Resolved?



If you have concerns about the quality of a response you have received via the [dmcedu.vbaspl@va.gov](mailto:dmcedu.vbaspl@va.gov) or DMC's 800 number, you may contact:

Gary Greenwood	<a href="mailto:gary.greenwood2@va.gov">gary.greenwood2@va.gov</a>
Julie Lawrence	<a href="mailto:julie.lawrence@va.gov">julie.lawrence@va.gov</a>





# Questions?



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