



DEPARTMENT OF DEFENSE
EDUCATION ACTIVITY
4040 NORTH FAIRFAX DRIVE
ARLINGTON, VIRGINIA 22203-1635

DEC 9 1995

Educational Support
Policy and Legislation

DEPARTMENT OF DEFENSE EDUCATION ACTIVITY
REGULATION SYSTEM TRANSMITTAL

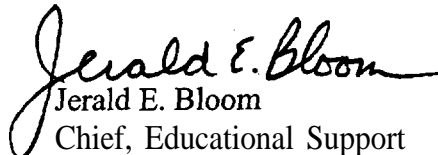
SUBJECT: DoDEA Regulation 7200.3- Change 1

INSTRUCTIONS FOR RECIPIENTS

The following pen changes to DoDEA Regulation 7200.3, "Collection of Debts Due the United States," September 21, 1995, are authorized:

Pen Change to Regulation

Throughout the regulation pen change "regional" or regional office" to "area service center." These changes occur on pages 1,2,2-8,7-1,7-3,7-4, and 9-1.


Gerald E. Bloom
Chief, Educational Support
Policy and Legislation



DEPARTMENT OF DEFENSE
OFFICE OF DEPENDENTS EDUCATION
4040 NORTH FAIRFAX DRIVE
ARLINGTON, VA 22203-1635



FISCAL DIVISION

DoDEA Regulation 7200.3
SEP 21 1995

SUBJECT: Collection of Debts Due the United States

- References:
- (a) DoD Instruction 7200.3 "Collection of Debts Due the US," October 27, 1986 (hereby canceled)
 - (b) DoD Instruction 7000.14, DoD Financial Management Policy and Procedures," November 15, 1992
 - (c) DoD 7000.14-R Volume 5, "Department of Defense Financial Management Regulation Disbursing Policy and Procedures," December 1993
 - (d) Title 5, United States Code, Section 5514
 - (e) Title 31, United States Code, Section 3711,
 - (f) (n), see enclosure 1

A. PURPOSE

This regulation reissues reference (a) for administrative changes and expands the scope of the previous regulation. Under the provisions of references (a) through(n), this regulation provides policy and procedures for the collection of debts owed the United States arising out of activities of the Department of Defense Dependents Schools (DoDDS) or referred to DoDDS for collection by another agency of the United States.

B. APPLICABILITY AND SCOPE

1. This regulation applies to the all DoDDS headquarters, and regional and district superintendents' offices.
2. It applies to personnel rather than commercial or inter-government debts such as, but not limited to, the following:
 - a. Nonpayment of tuition.
 - b. Unearned travel advances.
 - c. Returns of property or the value therefore.
 - d. Deficiencies within the account of an accountable officer.

- e. GAO notices of disallowance within the provisions of 37 USC 1007C.
- f. Debts resulting from overpayment of salary, benefits, or allowances not involving fraud or misrepresentation
- g. Noncompletion of training.
- h. Other personnel debts owed the Government

C. POLICY

1. It is DoDDS policy to make determinations regarding the existence and the amount of debts arising from activities of DoDDS and for ensuring an effective debt management program for the collection of those debts. DoDDS will ensure the implementation, of aggressive, timely, and economical debt collection in accordance with the procedures set forth in this regulation.

D. RESPONSIBILITY

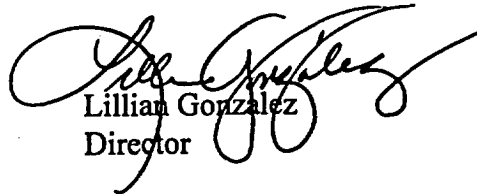
1. Fiscal Division will:
 - a. Provide guidance to regions on the implementation of debt collection procedures in DoDDS and the Department of Defense.
 - b. Oversee the debt collection program within DoDDS.
 - c. Prepare a consolidated SF 220, Schedule 9, Status of Accounts and Loans Receivable Due from the Public.
 - d. Coordinate procedures with the appropriate Government agency (DoD, OPM, Justice Department, IRS) or commercial contractor for collection of debts by administrative offset and reporting to a consumer or debt collection agencies.
2. The regional offices will:
 - a. Monitor collection activities and ensure that all debts arising out of activities of DoDDS are collected in accordance with the procedures outlined herein.
 - b. Maintain accountability for all accounts receivable and age accounts receivable on a monthly basis in a format sufficient to provide input to the SF 220, Schedule 9.
 - c. Assure that all debtors are provided applicable due process at the various stages of collection as described herein.

E. PROCEDURES

Detail procedures for the implementation of this regulation is provided at enclosure 2.

F. EFFECTIVE DATE

This regulation is effective immediately upon publication. Two copies of the implementing instruction shall be forwarded to the Director, DODDS within 60 days. Appendix B provides detailed procedures for the implementation of this regulation.



Lillian Gonzalez
Director

Enclosure(s): 9

1. References (continued)
2. Procedures
3. Applicant Certification
4. USAFAC Form - Confidential Affidavit of Financial Status, submitted for consideration only in connection with indebtedness
5. Promissory Note (DSF 7730)& Settlement Agreement (DSF 773 1)
6. Interservice Support Agreement HQO107-93 for Out-of-Service Debts]
7. DoDDS Procedures for out-of service debts
8. DD Form 2481, Request for Recovery of Debt Due the United States By Salary Offset
9. Administrator Duties and Responsibilities for Providing Hearings for Debtors

Distribution: X

REFERENCE

- (f) General Accounting Office (GAO) Federal Claims Collection Standards, Chapter 11(4 CFR Parts 101,102,103,104, and 105; and 49 FR 8889, March 9,1984)
- (g) OMB Circular A-129, "Managing Federal Credit Programs," May 1985
- (h) Public Law 97-365, "Debt Collection Act of 1982"
- (i) Title 10, United States Code, Section 2775 (Liability of Member for Damages to Family Housing, Equipment, and Furnishings)
- (j) Title 37, United States Code, Section 1007 (Deductions from Pay)
- (k) Title 15, United States Code, Section 1692 (Fair Debt Collection Practices Act)
- (l) Title 5 United States Code, Section 5705 (Advancement and Deductions)
- (m) DoD Accounting Guidance Manual 72209.M, Chapter 33
- (n) DoDDS Instruction 7200.2, "Advance Collection of Tuition Fees and Schedule 9 Reporting."

PROCEDURE

1. Billing procedures for accounts receivables maybe developed locally depending on the type of program or activity from which debts are generated.

a. In the absence of a specifically stated due date, a debt is considered due and payable upon demand or on the date the billing or other statement constituting notice of debt is mailed to the debtor. A debt will be considered delinquent if it is not paid on the due date or within 30 days of the date the notice is mailed.

b. Billings or other notifications of debts will be written and formal and shall be forwarded promptly to the debtor using the most current address available. Billings and other notifications of debt will at a minimum, contain the following:

- (1) Amount of debt.
- (2) Billing/Demand Date.
- (3) Due date.
- (4) Method of payment.
- (5) Address for which to remit payment.
- (6) Description(s) of charges.
- (7) Statement that interest shall be charged at a specific rate if the debt is not paid by the due date. In addition, providing the debtor this information may prevent debts from becoming delinquent.
- (8) Telephone number and point of contact to request information or dispute billings.

2. Follow-up Action. As debts become delinquent, DoDDS fiscal division should take aggressive and timely follow-up action to collect them. Follow-up efforts shall be sincere, well documented, and will be exhausted generally in the order as follows:

a. Follow-up Letters. When a debt becomes delinquent, the debtor will be provided two successive follow-up letters at intervals not to exceed 30 days. Follow-up letters may be, for the sake of efficiency, by form letter; however, they must be clear, effective, and communicate the sincerity of DoDDS to collect the debt. Follow-up letters must contain the following minimum information:

- (1) Description of debts and reference to any pertinent order, contract or agreement, etc.
- (2) Amount of principal.
- (3) Reference to previous billings and correspondence.

Enclosure 2

(4) Notification to the debtor of the consequences of his/her refusal to pay the debt promptly; i.e., assessment of interest, penalty, and administrative costs; collection by administrative offset revocation of rights or privileges; suspension of dependent from school; referral to a consumer creditor collection agency; or other applicable recourse available to DoDDS or the Government. These subjects are discussed in detail in later paragraphs.

(5) Amount of interest accrued.

(6) Amount of penalty accrued.

(7) Explanation and amount of administrative costs assessed.

(8) Point of Contact at the responsible DoDDS fiscal division.

(9) An internally assigned case number which will be used to identify the debt during all subsequent actions.

b. Personal Contact. The responsible DoDDS fiscal division should make efforts to contact the debtor by telephone when:

(1) It can be determined that the first follow-up letter was not effective in collecting the debt.

(2) Expenses associated with calling the debtor do not exceed the benefit.

(3) It would be expedient and as a prerequisite to subsequent collection action.

c. Documentation of Collection Efforts The responsible DoDDS fiscal division will document collection efforts on a case-by-case basis sufficient to show that vigorous and timely collection action, in accordance with prescribed laws, regulations, and policies, were pursued. It will establish that remedies to collect the debt were exhausted in a logical order sufficient to require pursuit of the next available recourse to the Government and that due process was provided to the debtor. All documentation of action taken should be maintained on a case-by-case basis and be available for inspection. Specifically, the following will be included:

(1) Copies of the original bill and any related pertinent accounting data.

(2) Copies of all follow-up letters to the debtor.

(3) Records or detailed memorandums of telephone conversations with the debtor.

(4) Record of assessments of interest, penalty, and administrative costs.

(5) Correspondence from the debtor.

(6) Correspondence, in general, pertaining to the specific case.

(7) Record of subsequent actions taken by the billing/collecting activity.

(8) Statement or letter which shows that the debtor was notified of all action which can and will be taken to collect the debt.

d. The statement at Enclosure 3, Applicant Certification, Federal Collection Policies for Consumer Debts, or a similar disclosure, shall be provided to the debtor during the follow-up process.

3. Interest, Penalty, and Administrative Costs

a. Assessment of Interest. Interest shall be assessed on all delinquent debts and will accrue from 1 day after the due date of the debtor mailing notice to the debtor, whichever is applicable, but will not be charged until overdue. DoDDS fiscal divisions shall be certain that due dates shown on billings or statements sent to the debtor coincide with the dates they were actually mailed. In cases where a debt has been delinquent for more than 1 month and interest has not been assessed, it may be computed retroactive to the date of the debt, using the rate current at the time of the assessment.

b. Interest Rate. Interest shall be computed monthly at the rate prescribed and published by the U.S. Treasury in the Federal Register and the U.S. Treasury Manual Bulletins quarterly or annually. An initial interest rate will remain fixed for the duration of that debt.

EXAMPLE: (Treasury Rate) X (number of days/365 or 366 -day year) X = (Principal)

c. Interest on Charges Other than Principal. Interest shall not accrue on penalty or administrative charges assessed the debtor, or on debts referred to another U.S. Government agency for collection after the date of such referral, unless that agency is unable to effect collection and the debt is returned to DoDDS for further action. However, in the case of a renegotiated debt, loan, or agreement, the entire amount of principal, interest, penalty, and administrative cost become the renegotiated principal.

d. Penalty Charges. A penalty charge of 6 percent per annum will be charged additionally on the principal outstanding when the debt becomes 91 days past due. Penalty charges shall accrue at the rate of 1/2 percent per month (6% per annum) and be assessed in 30-day increments.

EXAMPLE: (.005) X (number of days/365 or 366-day year) X (Principal)

e. Administrative Charges. Administrative costs associated with handling collection of debt may also be assessed the debtor. Administrative costs may be costs directly associated with handling the debt such as postage, costs of obtaining an address or credit report on the debtor, commercial collection agency fees, etc., or may be indirect costs such as a portion of the cost of DoDDS personnel resources allocated to the collection of delinquent debts.

f. Debts of \$25 or Less. For debts of \$25 or less, owed by a person not assigned to DoDDS and not due payments from DoDDS, the cost of collection is deemed to exceed the amount to be collected and no collection action is necessary.

g. Due Process. The debtor will be notified in writing, prior to assessing interest, penalty, and administrative costs, whether by a notice in the initial billing or subsequent follow-up letters, that interest will be assessed should the debt become delinquent. Interest shall be waived if payment of principal is received within 30 days of the date at which the interest begins to accrue.

4. Revocation of Privileges. In cases where it's deemed appropriate and attainable, DoDDS will revoke privileges being extended to a debtor. Written notice of intent to do so will be provided the debtor prior to taking such action. Dependents will not be allowed to remain enrolled in school when payment for tuition has become delinquent.

5. Payment by Installments or Other Arrangements.

a. Whenever feasible, and except as otherwise provided by law, debts owed to the United States, together with interest, penalties, and administrative costs, should be collected in a lump sum. However, if the debtor is unable to pay the debt in a lump sum, payment may be accepted in regular installments. Installments generally should not be less than \$50 per month and should be of sufficient amount and frequency to liquidate the claim in not more than 3 years. Interest will continue to accrue on the unpaid balance until the debt is paid in full.

b. Prior to agreeing to accept payment from a debtor in installments, the responsible DoDDS fiscal division must fulfill the following criteria:

(1) Receive from the debtor a completed affidavit shown at Enclosure 4, which discloses the financial status of the debtor sufficient to make a determination that payment of the debt in a one lump sum is not possible or would place extreme hardship on the debtor.

(2) Receive a written, enforceable agreement from the debtor which specifies:
(a) The installment amount and repayment period.
(b) Acknowledgment of the debtor a statement of intent of the debtor to pay the debt in installments.

(c) A statement from the debtor stating that the debtor understand the consequences of failing to make the agreed installment payment. The form, "Promissory Note Containing Agreement for Judgment" at Enclosure 5, or a similar statement, will be used to obtain an installment agreement with the debtor.

c. Payments by installment should be applied to the total outstanding balance in the order as follows

- (1) Administrative costs
- (2) Penalties
- (3) Interest
- (4) Principal

d. The debtor will be provided a clause statement of the amounts applied to interest, penalties, administrative costs, and the principal, and will understand the order to which payments are applied.

6. Use of Defense Finance Accounting Service for Out-of-Service Debt.

a. When debts remain delinquent after all efforts to collect them through administrative offset have been exhausted, and no means to collect the debt within the Government exist, and no agreement or attempt to satisfy the debt has been made by the debtor, the debt may be forwarded to the Defense Finance and Accounting Service (DFAS).

b. DFAS and the Department of Defense Dependents Schools (DoDDS) entered into an interagency support agreement (ISA) in September 1993. The ISA provides for DFAS-Denver (DMS) to provide automated debt collection services for DoDDS out-of-service delinquent debts. The ISA is provided at Enclosure 6 and the DoDDS operating procedure for out-of-service debts is at enclosure 7.

7. Collection by Administrative Offset.

a. Offset to Salary. When all efforts to collect a delinquent debt from a debtor (follow-up letters, telephone calls, etc.) have failed and there has been no willingness on the part of the debtor to resolve disputed charges or to enter into agreement to repay the debt in installments, the debt may be collected by offset to the debtor's salary, basic pay, special pay, retirement pay or other types of continuing pay. Prior to initiating action to collect the debt by offset the responsible DoDDS fiscal division will be certain that all efforts to collect the debt through communication with the debtor have failed and are well documented and that all due process has been provided the debtor.

DD Form 2481, "Request for Recovery of Debt Due the United States by Salary Offset" at Enclosure 8, will be used. Initiating activities should make certain that due process, explained as follows, has been afforded to the debtor:

(1) The debtor has received notice 30 days in advance, notifying him/her as to the decision to offset salary.

(2) The employee has received notice of the right to a hearing and has not requested one.

b. Offset by Other than Salary. When the debtor is no longer an active employee and amounts available to satisfy the debt by offset to salary or other continuing pay are not sufficient, then the debt may be collected by administrative offset. Collection by administrative offset is from monies due an individual which are not considered pay, such as amounts due for final pay, accrued leave, certain bonuses, or refunds.

c. Offset by Another Federal Agency. When it is known that the debtor is employed by another Federal agency, requests for involuntary collection by offset for debts owed to DoDDS by an employee of another Federal agency will be submitted to the agency.

d. Offset against Civil Service Retirement. When efforts to collect debts from salary or administrative offsets fail, monies will be collected from an individual's civil service retirement account. SF 2805 "Request for Recovery of Debt Due the United States," should not be submitted unless the following conditions are met:

(1) The former employee is separated from Federal service.

(2) DoDDS has exhausted all aforementioned means of recovery.

(3) The debtor has been provided due process, including an opportunity for a hearing, and DoDDS has certified that due process was provided.

e. Request from other Federal agencies. Requests for involuntary offsets for debts owed by DoDDS employees to another Federal agency will be processed provided that there is written certification that due process has been afforded.

8. Hearing and Written Submission.

a. Hearings. Standards for hearings shall adhere to those prescribed in reference (c) Chapter 30, Section 3003. Hearings are a due process requirement of U.S.C. 5514. Debtors are entitled to petition for hearings to contest debt existence or amount or the amount of an involuntary offset established other than by agreement with the debtor. The creditor organization (administrator) will determine whether the debtor is entitled to an oral hearing or an administrative hearing (review of written records) by an independent party (hearing official).

The administrator will ensure that the hearing proceedings are conducted, and that the hearing official provides a written decision to the debtor and creditor organization by whichever is earlier, 15 days after completion of the oral or administrative hearing, or 60 days from the date the debtor submitted the petition for a hearing.

b. Written Submission. The creditor organization must notify the debtor of their right to a hearing before an involuntary offset action is initiated. The debtor must submit a petition for a hearing within 30 days from date of notification of intent to collect by salary offset or within 45 days after receipt of records if requested by debtor.

c. Creditor Organization Responsibilities. The administrator for hearings is the DoD Component to which the debt is owed. Accordingly, DoDDS is the DoD Component for any debt owed by its employees irrespective of the designated finance office which made the payment or discovered the debt. DoDDS Fiscal Division designated the regional offices as administrator for the hearings, as their locations are more convenient to the parties involved in the hearing. The duties and responsibilities for the DoD Credit Component (administrator) are provided in detail in reference (c), Chapter 3 and Enclosure 9.

d. Exclusions to Hearings

(1) Oral hearings are not required if the debt type rarely involves issues of credibility or truthfulness, i.e., overpayment of salary, LQA, and any adjustment to pay arising out of an employee's election of coverage or change in coverage under a Federal benefits program requiring periodic deductions from pay. Creditor organization will determine when a review of written records (administrative hearing) is sufficient to resolve debt issues.

(2) Administrative offset for a travel advancement under 5 U.S.C. 5705 (reference m), is not subject to a hearing. When making collections of unearned advances, per diem or mileage allowance, the debtor will be given an opportunity to immediately pay the amount due. If immediate payment is not made, the full amount maybe deducted automatically from the next pay due the debtor, or retirement credit, or any other amount due the debtor from the United States. Explanation of the requirement will be given at the time of the advance. Hearings are not required, but the debt may be considered upon timely receipt of the debtor's request. The creditor organization will review the debt case and consider the debtor's statements and documentation submitted. The debtor will be provided a written decision with the reasons for reaffirming the debtor reasons for adjusting or withdrawing the debt.

9. Waiver, Compromise, Suspension or Termination.

a. Authority. The Director, DoDDS is delegated the authority for the waiver, compromise, suspension, or termination of debts. Requests for waiver or remission of debts should be made by submission of all appropriate documents pertinent to collection actions taken. Such documentation should support a narrative justification summarizing the nature of the debt, collection of action taken, and the basis for requesting termination, compromise or suspension of the debt. Waiver, compromise, suspension, or termination should only be afforded under extraordinary circumstances or when the debt is uncollectible after all remedies have been exhausted.

b. Waiver. The Director, DoDDS, may waive interest, penalty, and administrative charges associated with any debt not exceeding \$10,000 when:

(1) A debt is the result of administrative delay within DoDDS.

(2) The amount of payment received is sufficient to pay the principal amount of the debt and the amount of remaining interest, penalty, and administrative costs do not exceed \$100.00

c. Reporting Forgiven Debts to the Internal Revenue Service. Debts written-off or forgiven will be reported to the Internal Revenue Service on Form 1099-G, provided that the individual is a citizen of the United States. A form 1099-G is not required for non-citizens.

10. Accounting Procedures to Mantain and Monnitor Debts. ODE and DoDDS regional fiscal divisions shall maintain accountability for all transactions associated with the collection of debts in accordance with DoD 7220.9M, Chapter 33(reference (n)) and reporting of receivables in accordance with DoDDS Instruction 7200.2 (reference(o), “Advance Collection of Tuition Fees and Schedule 9 Reporting.”)

APPLICANT CERTIFICATION
FEDERAL COLLECTION POLICIES FOR CONSUMER DEBTS

The Federal Government is authorized by law to take any or all of the following actions in the event your payment becomes delinquent. Payment is considered delinquent if it is not paid in full within 30 days from the date of the initial demand letter or billing notice.

Report your name and account information to a commercial credit bureau. This information will remain on your credit record for seven years.

- Assess additional interest and penalty charges for the period of time that payment is not made.
- Assess charges to cover additional administrative costs incurred by the government to service your account.
- Offset your salary or amounts owed to you under other Federal Programs.
- If you are current or retired Federal employee, take action to offset your salary or civil service retirement benefits.
- Refer your account to the Defense Finance and Accounting Service, Denver, Colorado or a collection agency to collect the amount due, and assess a collection fee.
- Refer your account to the Department of Justice for prosecution.
- Refer your debt to the Internal Revenue Service for offset against any amount owed to you as an income tax refund.
- Report any written-off debt to the Internal Revenue Service as taxable income.

All of these actions can and will be used to recover any debts owed when it is determined to be in the interest of the Government to do so.

Certification

I have read and I understand the actions the Federal Government can take in the event that I fail to meet my scheduled payments in accordance with the terms and conditions of my agreement.

Signed:_____

Date:_____

CONFIDENTIAL AFFIDAVIT OF FINANCIAL STATUS SUBMITTED FOR CONSIDERATION ONLY IN CONNECTION WITH INDEBTEDNESS			
PRIVACY ACT INFORMATION			
AUTHORITY Federal Claims Collection Act of 1966 PRINCIPLE PURPOSE Resolving the former service member's indebtedness to the U.S. Government ROUTINE USES Evaluate debtor's ability to pay Furnish information as necessary to the Dept. of Justice to determine proper collection DISCLOSURE IS VOLUNTARY. However, failure to respond may result in obtaining financial data from a commercial credit company and referral of the indebtedness to the Dept. of Justice for suit			
1. DEBTOR'S NAME AND ADDRESS		PLEASE COMPLETE AND RETURN THIS FORM	
SERVICE MEMBER'S NAME		2. SERVICE MEMBER'S SSN	3. DEBTOR'S SSN
		4. AMOUNT OF INDEBTEDNESS	
5. ADDRESS CORRECTION		6. DATE OF BIRTH	7. MARITAL STATUS <input type="checkbox"/> MARRIED <input type="checkbox"/> SINGLE
8. NAME AND ADDRESS OF EMPLOYER		9. OCCUPATION OR EMPLOYMENT	10. NUMBER OF DEPENDENTS OTHER THAN YOURSELF
		11. MONTHLY SALARY OR WAGES \$	12. OTHER REGULAR INCOME PER MONTH \$
13. NUMBER OF OTHER MEMBERS IN YOUR HOUSEHOLD WITH INCOME		14. RELATION	15. MONTHLY INCOME OF OTHER MEMBERS IN YOUR HOUSEHOLD \$
16. AVERAGE BALANCE OF YOUR BANK ACCOUNT \$	17. AVERAGE BALANCE OF YOUR SAVINGS ACCOUNT \$	18. DO YOU OWN STOCKS, BONDS OR OTHER SECURITIES?	19. APPROXIMATE VALUE OF SECURITIES \$
20. DESCRIPTION OF REAL ESTATE OWNED BY YOU			
21. ASSESSED VALUE OF PROPERTY	22. MARKET VALUE OF PROPERTY	23. HOW MUCH DO YOU OWE ON THIS PROPERTY?	24. MONTHLY PAYMENT ON THIS PROPERTY
25. DO YOU OWN AN AUTO-MOBILE?	26. YEAR AND MAKE OF CAR	27. TOTAL OWED ON CAR	28. MONTHLY PAYMENTS ON CAR
LIST YOUR OTHER DEBTS. GIVING NAMES OF CREDITORS AND AMOUNTS OWED. (If additional space is needed, use reverse side)			
29a. CREDITORS		29b. AMOUNT OWED	29c. MONTHLY PAYMENTS
30. STATE ANY CIRCUMSTANCES WHICH YOU DESIRE US TO CONSIDER PRIOR TO TAKING FURTHER ACTION TO COLLECT THE DEBT: (If additional space is needed, use reverse side)			
I PROMISE TO PAY THE SUM OF \$ _____ PLUS LATE PAYMENT CHARGES AT THE PER ANNUM RATE PRESCRIBED BY THE DEPARTMENT OF TREASURY, IN MONTHLY INSTALLMENTS OF \$ _____ ON OR BEFORE THE FIRST DAY OF EACH CALENDAR MONTH UNTIL MY OBLIGATION TO THE UNITED STATES IS PAID IN FULL. I UNDERSTAND THAT IF I DEFAULT IN THE AGREED ARRANGEMENT, THE REMAINING BALANCE OF THIS OBLIGATION, TO INCLUDE ACCRUED LATE PAYMENT CHARGES, SHALL BECOME IMMEDIATELY DUE AND PAYABLE WITHOUT FURTHER NOTICE.			
SIGNATURE		DATE	
I DECLARE UNDER THE PENALTIES PROVIDED FOR BY TITLE 18, SEC. 1001, U.S. CODE, THAT THE ANSWERS AND STATEMENTS CONTAINED HEREIN ARE TO THE BEST OF MY KNOWLEDGE AND BELIEF TRUE, CORRECT, AND COMPLETE.			
WARNING: TITLE 18, SEC. 1001, U.S. CODE "WHOEVER * * * KNOWINGLY AND WILLFULLY FALSIFIES, CONCEALS OR COVERS UP BY ANY TRICK, SCHEME, OR DEVICE A MATERIAL FACT, OR MAKES ANY FALSE, FICTITIOUS OR FRAUDULENT STATEMENTS OR REPRESENTATIONS, * * * SHALL BE FINED NOT MORE THAN \$10,000 OR IMPRISONED NOT MORE THAN FIVE YEARS OR BOTH * * *			

PROMISSORY NOTE CONTAINING AGREEMENT FOR JUDGMENT	Amount \$
<p>For value received, I (we jointly and severally) promise to pay the Department of Defense Dependents Schools (DoDDS), the sum of \$_____, with interest at the rate of ____% per annum, in (monthly) installments of not less than \$_____ each, payable at _____ (on or before the first day of calendar month) until such obligation is fully paid. If any such installment shall remain unpaid for a period of 10 days, the entire amount of this obligation, with interest, less payments actually made, shall thereupon become immediately due and payable at the option of DoDDS without demand or notice, said demand and notice being hereby expressly waived.</p> <p>I (we) do hereby authorize and empower DoDDS, any agent, or any attorney of any court of record, State or Federal, to appear for me (US) and to enter and confess judgment against me (us) for the entire amount of this obligation, with interest, less payments actually made, at any time after the same becomes due and payable, as herein provided, in any court of record, Federal or State, to waive the issuance and service of process upon me (us) in any suit on this obligation; to waive any venue requirement in such suit; to release all errors which may intervene in entering up such judgment or in issuing any execution thereon; and to consent to immediate execution on said judgment.</p> <p>I (we) hereby ratify and confirm all that said Agency, agent, or attorney may do by virtue hereof.</p>	
TYPED OR PRINTED NAME AND SIGNATURE	DATE
TYPED OR PRINTED NAME AND SIGNATURE	DATE
<p>State of _____</p> <p>County (City) _____</p> <p>I, _____ a Notary Public in and for the County (City) and State aforesaid, do hereby certify that on the ____ day of __ __, 19__, before me personally appeared _____ who is known by me to be the identical person who is described therein, has acknowledged to me that he/she signed this instrument.</p> <p>In Witness Whereof, I have hereunto set my hand and official seal this day and year above.</p> <p style="text-align: center;">_____ Notary Public</p> <p style="text-align: right;">(SEAL)</p>	

INSTALLMENT PAYMENT AGREEMENT

The undersigned agrees to pay the sum of \$_____ in monthly installments until his/her indebtedness to the Department of Defense Dependents schools (DoDDS) in the principal amount of \$_____ plus accrued interest at _____ % per annum is fully liquidated. If any installments shall remain unpaid for a period of 10 days, the entire amount of this obligation, with interest, less payments actually made, shall thereupon become immediately due and payable at the option of said DoDDS, without demand or notice, said demand and notice being expressly waived. Interest will be charged from the date the undersigned is notified that the principal amount plus accrued interest must be repaid.

TYPED OR PRINTED NAME AND SIGNATURE

DATE

DSF 7731 (July 1986)

SUPPORT AGREEMENT

1. AGREEMENT NUMBER <i>(Provided by Supplier)</i>		2. SUPERSEDED AGREEMENT NO. <i>(If this replaces another agreement)</i>		3. EFFECTIVE DATE (YYMMDD)		4. EXPIRATION DATE <i>(May be "indefinite")</i>	
HQ0107-93 -0003						Indefinite	
5. SUPPLYING ACTIVITY				6. RECEIVING ACTIVITY			
a. NAME AND ADDRESS Defense Finance and Accounting Service - Denver Center 6760 E. Irvington Place Denver CO 80279-8000				i. NAME AND ADDRESS ODE Fiscal Office 4040 North Fairfax Drive Arlington, VA 22203-1635			
b. MAJOR COMMAND HQ0107				b. MAJOR COMMAND HQ1254			
7. SUPPORT PROVIDED BY SUPPLIER							
a. SUPPORT <i>(Specify what, when, where, and how much)</i>			b. BASIS FOR REIMBURSEMENT		c. ESTIMATED REIMBURSEMENT		
B-16 - Accounting and Finance			Charge for each case closed.		\$109,853 (See Specific Provisions)		
8. SUPPLYING COMPONENT				9. RECEIVING COMPONENT			
a. COMPTROLLER SIGNATURE		b. DATE SIGNED		a. COMPTROLLER SIGNATURE		b. DATE SIGNED	
				<i>Frances B. Hammond</i>		9/21/93	
c. APPROVING AUTHORITY				c. APPROVING AUTHORITY			
(1) Typed Name				(1) Typed Name			
Richard S. Szot				Richard S. Szot			
(2) Organization		(3) Telephone Number		(2) Organization		(3) Telephone Number	
Department of Defense				Department of Defense		(703) 696-3835	
Dependents Education				Dependents Education			
Signature		(5) Date Signed		(4) Signature		(5) Date Signed	
				<i>Richard S. Szot</i>		9/21/93	
10. TERMINATION <i>(Complete only when agreement is terminated prior to scheduled expiration date.)</i>							
a. APPROVING AUTHORITY SIGNATURE		b. DATE SIGNED		c. APPROVING AUTHORITY SIGNATURE		d. DATE SIGNED	

11. GENERAL PROVISIONS (Complete blank spaces and add additional general provisions as appropriate: e.g., exceptions to printed provisions, additional parties to this agreement, billing and reimbursement instructions.)

- a. The receiving components will provide the supplying component projections of requested support. (Significant changes in the receiving component's support requirements should be submitted to the supplying component in a manner that will permit timely modification of resource requirements.)
- b. It is the responsibility of the supplying component to bring any required or requested change in support to the attention of ODE Fiscal Office, Fiscal Division, 4040 North Fairfax Dr., Arlington VA 22203-1635, prior to changing or cancelling support.
- c. The component providing reimbursable support in this agreement will submit statements of costs to: ODE Fiscal Office, Accounting Officer, 4040 North Fairfax Dr., Arlington, VA 22203-1635
- d. All rates expressing the unit cost of services provided in this agreement are based on current rates which may be subject to change for uncontrollable reasons, such as legislation, DoD directives, and commercial utility rate increases. The receiver will be notified immediately of such rate changes that must be passed through to the support receivers.
- e. This agreement may be cancelled at any time by mutual consent of the parties concerned. This agreement may also be cancelled by either party upon giving at least 180 days written notice to the other party.
- f. In case of mobilization or other emergency, this agreement will remain in force only within supplier's capabilities.
- g. This agreement will be reviewed annually on its anniversary date, or as requested by either the supplier or receiver.
- h. The office of primary responsibility for Interservice Support Agreements is DFAS-DE/WLX. Changes, modifications, and/or revisions will be forwarded to DFAS-DE/WLX for processing, approval, and retention.
- i. Billing will be done monthly.
- j. FY 93 OSD billing rate is \$403.87 per closed case.
- k. Future billing rates will be established by OSD.

ADDITIONAL GENERAL PROVISIONS ATTACHED: YES NO

12. SPECIFIC PROVISIONS (As appropriate: e.g., location and size of occupied facilities, unique supplier and receiver responsibilities, conditions, requirements, quality standards, and criteria for measurement/reimbursement of unique requirements.)

Current inventory is 379 cases with an average increase of 15 per month @ \$403.87 per closed case. This equates to 379 original inventory cases plus 165 (15 per month x 11 months), for an initial total of 544 cases. Based on our collection history, we expect to collect 50% of the debts, or 272 cases. The expected completed cases of 272 times \$403.87 per closed case equals an estimated \$109,853. Charges will be assessed, for and as, cases are closed.

ADDITIONAL SPECIFIC PROVISIONS ATTACHED: YES NO

**INTERAGENCY AGREEMENT
BETWEEN THE
DEFENSE FINANCE AND ACCOUNTING SERVICE - DENVER CENTER
AND THE
DEPARTMENT OF DEFENSE DEPENDENT SCHOOLS**

I. References

- A. Department of Defense Directive 5518.5, Defense Finance and Accounting Service (DFAS), November 26, 1990.
- B. Department of Defense Directive 4000.19, Interservice, Interdepartmental and Interagency Support, April 15, 1992.
- C. The Federal Claims Collection Act (FCCA) of 1966 (Public Law 89-508, 80 Statute 308; 31 U.S.C. 951-953).
- D. The Debt Collection Act (DCA) of 1982 (Public Law 97-365).
- E. Strategic Transition Plan (STP) 11-1, Out-of-Service Debt Management Standardization and Consolidation.
- F. DFAS-HQ/D Decision Memorandum, February 7, 1992.
- G. DFAS Regulation, 7045.17R, Administration of Unit Cost.
- H. Department of Defense Instruction (DODI) 7045-18, Collection of Indebtedness Due the United States.
- I. DoDI 5409.11-R, DoD Privacy Program.

III. Scope

- A. This is an agreement between DFAS and DoDDS and is established in accordance with References A and B. It provides for DFAS to furnish automated debt collection services for DoDDS Out-of-Service delinquent debts and DoDDS to provide their delinquent debt files to DFAS-DE (DDMS).
- B. Specific agency tasks are delineated in the Attachment to this Agreement.

III. Purpose

- A. To establish the terms and conditions of an agreement between the Defense Finance and Accounting Service (DFAS) and the Department of Defense Dependent Schools (DoDDS) relative to DFAS providing debt collection services for DoDDS Out-of-Service delinquent debts through the use of the DFAS Defense Debt Management System (DDMS).
- B. This Interagency Agreement will be consistent with Agency responsibilities, Reference A.

IV. Authority

A. parties enter into this agreement under the authority of References C., D., and E.

B. Reference C., directs the head of the agency or designee to attempt to collect all claims due the United States. The Act also authorizes the head of the agency or designee to compromise, terminate, or suspend collection action on such claims, using standards prescribed by the Attorney General and the Comptroller General.

C. Reference D., expands the authority of Reference C., amending Sections 3 and 10. The Act includes provisions for use of private collection agencies, referral to credit bureaus, and the internal Revenue Service (IRS), collection by administrative offset, and assessment of interest, penalty, and administrative charges.

D. References E and F., provides for standardization and consolidation of debt management functions and also directs implementation of one standard system, DDMS, managed and maintained at DFAS-DE.

E. Reference G., provides procedures for the use and administration of unit cost within DFAS.

F. Reference H., provides policy for collection of debts due the Department of Defense.

G. Reference I., contains DoD rules for accessing records and for contesting or appealing agency determination by the individual concerned.

V. Responsibility

Refer to specific individual agency responsibilities which are delineated in the Attachment to this Agreement.

VI. Administrative Instructions

A. This is an agreement applicable to the client agency, DoDDS, using DDMS, for collecting DoDDS's delinquent Out-of-Service debts. This service will be provided to DoDDS at a cost of \$403.87 for each case closed.

B. This agreement shall be effective upon the signature of both parties and shall remain in effect until terminated as set forth in paragraph F.

C DFAS will: ensure that sufficient systems and operations staffing resources are available to provide on-going Out-of-Service debt collection assistance; provide sufficient staff resources to control, operate, and maintain DDMS as stated in the attachment;

D. DoDDS will: provide their Out-of-Servi delinquent debt files by the United States Postal Service to DFAS-DE. Debt information which must be included in these files is listed in the attachment.

E. This agreement must be reviewed annually on its anniversary date or as requested by either party and may be terminated as follows:

1. At any time by mutual consent of the parties concerned.
2. By either party upon giving 180 days written notice to the other party.

F. Any notice, request, demand or any other communication to any of the parties hereto shall be deemed given when received and shall be given in writing. Delivery shall be made by U.S. certified mail or other such forms of delivery service providing receipts certifying delivery. Delivery shall be considered effected upon receipt of delivery certification and will be made to the addresses below. Any changes in address will be furnished in writing.

1. Defense Finance and Accounting Service-Denver Center
(DFAS-DE)
6760 East Irvington Place
Denver, Colorado 80279-8000

Attention: Directorate of Debt & Claims Management

2. Department of Defense Dependent Schools
ODE Fiscal Office
4040 North Fairfax Drive
Arlington, VA 22203-1635

Attention: Fiscal Division

G. The following individuals are responsible for the management and coordination of the terms of this agreement within their respective organizations. Copies of the Interagency Agreement, pertinent correspondence, and changes or other transactions pertaining to this agreement shall be furnished to these individuals.

1. Deputy Director, Finance
Defense Finance and Accounting Service
DFAS-HQ/F
1931 Jefferson Davis Highway
Arlington," VA 22240-5291

2. Mr. Richard S. Szot
Chief, Fiscal Division
ODE Fiscal Office
4040 North Faixfax Drive
Arlington, VA 22203-1635

H. DFAS ensures disclosure, retention, and use of personal information and accessing of records by custodians of the DDMS system and by persons responsible for servicing the record system in the performance of their official duties, are properly screened and cleared for a need to know.

1. The DFAS and DoDDS are required to meet requirements established in the Agreement Attachment.

J. Any differences between DFAS and the client agency, DoDDS, occurring through this agreement which cannot be resolved through notifications at lower organizational levels with DFAS and client agency, will be referred to the officials identified in paragraph G for resolution. In the event those officials cannot resolve the dispute, they will designate a mutually acceptable third party to review the facts and recommend a fair resolution.

K. In executing this document, the agency is delegating its responsibilities as enumerated in the attachment.



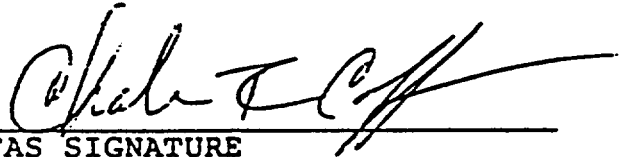
DODDS SIGNATURE

Chief, Fiscal Division

TITLE

21 SEP 1993

DATE



DFAS SIGNATURE

~~Acting Deputy Director for Finance~~
TITLE

SEP 2 1993

DATE

ATTACHMENT
DETAILED TERMS FOR THE PROVISION OF SERVICES
UNDER THE INTERAGENCY AGREEMENT
BETWEEN
DEFENSE FINANCE AND ACCOUNTING SERVICE - DENVER CENTER
DEPARTMENT OF DEFENSE DEPENDENT SCHOOLS

DEFENSE FINANCE AND ACCOUNTING SERVICE. THROUGH ITS DENVER CENTER
WILL:

- (1) Receive and process the delinquent debtor files transferred from DoDDS.
- (2) Establish and maintain debtor accounts.
- (3) Perform billing and collection functions.
- (4) Perform collection assistance on debts with a minimum dollar value of \$100, as established by DoDDS.
- (5) Provide DoDDS quarterly, by means of the C13, Reconciliation Report, detailed transaction information on every debtor file transferred to DDMS for collection assistance. This reconciliation report is in two parts. Part 1 is for Open cases and Part 2 is for closed cases.
- (6) Perform reconciliations with DoDDS.
- (7) Respond to billing and collection inquiries.
- (8) Generate termination of agreement on expiration date or at the request of DoDDS.
- (9) Provide DoDDS debtors with correspondence relating to their debt file in the Defense Debt Management System.
- (10) Provide software and mainframe hardware necessary for... effective/efficient system operation.
- (11) Provide a back-up facility for use in the event of a catastrophe rendering DFAS computers inoperable. Hill Air Force Base, Utah, is our back-up site.
- (12) Establish procedures for processing new requirements or modifications to the system.
- (13) Provide technical support for implementing new requirements or modifications to the system.
- (14) DDMS will manually review each submission of debtor files prior to entry of debt information. This review takes place within thirty days of receipt of the inventory at DFAS-DE/FYDE. Debtor files which do not contain all of the required debt information

which is specified in “AGENCY WILL” in this Attachment, will be returned to DoDDS for missing information. Only complete debtor file information will be accepted and entered into DDMS.

(15) DDMS will assign a unique pseudo Account Disbursing Station Number (ADSN), which will identify any and all transactions as DoDDS accounts. Upon receipt in DFAS-DE of the DoDDS inventory, debts will be loaded with this unique ADSN as part of the accounting classification. This ADSN will only be used for DoDDS debts and will identify DoDDS as the accountable agency. When collections are received, they will be deposited into a suspense account identified by this unique ADSN identifier.

{16} Mail a U.S. Treasury check to the agency monthly if collections are received in the special suspense account identified in (15) above. In addition to the check, DDMS will also provide an SF 1049, Public Voucher for Refunds and a Voucher Summary/Audit Listing Base Disbursements.

(17) Mail dunning letters providing debtors due process.

(18) Do debt referral to Collection Agencies.

(19) Do debt referral to Credit Bureaus.

(20) Do debt referral to the Internal Revenue Service, Tax Refired Offset Program.

(21) Do debt referral to the Department of Justice.

(22) Do referral to the Defense Manpower Data Center Salary Offset Program.

DoDDS WILL:

(1) The following list of DoDDS Regions and Points of Contact will be responsible for carrying out all of the DoDDS responsibilities outlined in paragraphs (2), (3), (4), (5), and (6), below.

EUROPE REGION

Unit 29649, Box 285	Financial Manager
APO AE 09096	Gene Fleming
DSN: 338-7276	
COMM 011-49611-3807276	Accounting Officer
FAX 011-49-611-380-7565	Robert Castle

PACIFIC REGION

PSC 556, BOX 796
FPO AP 96386-0796
(Okinawa Japan)
DSN: 640-110-3513
COMM: 011-81-988-76-3513
FAX: 011-81-988-76-4263

Fiscal Division
Don Salsberry

Accounting Officer
Julian Romagnoli

PANAMA/ISLAND REGION

For Panama:
Unit 0925
APO AA 34002

Chief, Resource Management
Charles Hill

DSN: 313-286-3867
COMM: 011-507-86-3867
FAX 011-507-86-3251

Management Analysis
Officer
Edilma D. deBurgos

For the Islands
DoDDS, Fiscal Division
4040 N. Fairfax Drive
Arlington, VA 22203-1635

Accounting Officer
Marty Dorfman

DSN: 226-3837, ext 129
COMM: 703-696-3859, ext 129
FAX: 703-696-4029

Supervisory Operating
Accountant
Alysia Stanton

For DoDDS Headquarters
DoDDS, Fiscal Division
4040 N. Fairfax Drive
Arlington, VA 22203-1635

Accounting Officer
Martin Dorfman

DSN: 226-3837, ext 137
COMM: 703-696-3837, ext 137
FAX: 703-696-4029

Supervisory Operating
Accountant
Mary Moton

DoDDS, Fiscal Division
4040 N. Fairfax Drive
Arlington, VA 22203-1635

Chief, Fiscal Division
Richard S. Szot
703-696-3835, ext 109

PROCEDURES FOR DODDS OUT-OF-SERVICE DELINQUENT DEBTS TO DFAS-DE

A. PURPOSE

This guidance provides the implementing procedures for referring DoDDS delinquent out-of-service debts to DFAS-Denver Debt Management Services (DDMS) and the operating procedures for maintaining the services at the regions.

B. DEFINITION

1. DoDDS Out-of-Service Debt. An indebtedness is considered a DoDDS out-of-service debt if the debtor has not paid and is no longer employed with DoDDS. The out-of-service debt is considered delinquent when the amount due is more than 30 days past the date of the initial demand letter or bill.

2. Cases Closed. The following are the type of debt transactions that are considered cases closed.

(a) Collected in Full. The entire amount of the debt has been collected. This includes the principal amount, interest and penalties.

(b) Referred for Off - Set. The case has been transferred and payment is received from another Federal agency. The debt can be satisfied by a one-time or installment off-set from available pay. The case can not be considered closed and billed until the entire amount has been collected.

(c) Formally Compromised. There has been a written acknowledgment to the debtor stating the offer and the final payment that will be accepted as full settlement of the debt has been received.

(d) GAO Approved Waivers. Any debt that is formally waived by the U.S. General Accounting Office (GAO) pursuant to 5 U.S.C 5584 or 10 U.S.C 2774, or an official having authority.

C. RESPONSIBILITIES

1. DoDDS Regional Office. Each region is designated as a client agency and will be responsible and accountable for the debts submitted directly to DDMS for processing, see Attachment to ISA. The regional office will:

(a) Refer to DoDDS out-of-service delinquent debt (hereafter “delinquent debt”) to DDMS and request the servicing payroll Office to refer DoDDS delinquent debt to DDMS.

(b) Respond to DDMS on matters concerning a delinquent debt, and the terms and conditions of the ISA. Any matters which cannot be resolved will be referred to DoDDS, Fiscal Division.

(c) Maintain an accounts receivable record for the delinquent debt, refer subsequent inquires or correspondent or payments on a transferred delinquent debt to DDMS.

(d) Pay the applicable collection fee for each delinquent debt case closed. The collection fee is subject to change each fiscal year and proper notice will be given to each region.

(e) Use their current funding for the DDMS collection service fee. Use program Project 7200-Regional Office Nonlabor Costs, and Object Class 2598 - Other Contracts. The funding can be based upon the actual number of debt cases forwarded to DDMS times the current collection service fee, or based upon the DFAS formula which is the anticipated number of debt cases to be closed (50% of debt cases to DDMS times \$403.87).

2. DFAS -Denver (DDMS). DFAS-DE will be responsible to each region individually by performing the following service, also, see attachment to ISA for detail functions:

(a) Receive and process DoDDS’ delinquent debt promptly, mail a U.S. Treasury check payment to the regions monthly for payments received during the month on these accounts,

(b) Bill each region monthly for the delinquent debt cases closed during the month.

(c) Provide quarterly reconciliation and detail transaction reports on open and closed delinquents debt files.

(d) Matters concerning the daily processing of DoDDS delinquent debts will be referred to DDMS, point of contact is John Anderson or Bob Soblick on DSN 926-7654 or (303) 676-7654.

(e) Debt cases will be mailed to DDMS at the address below by U.S. certified mail or other such forms of delivery service providing receipts certifying delivery.

Defense Finance and Accounting Service-Denver Center
Attn: DFAS-DE/FYDC
6760 East Irving Place
Denver, Colorado 80279-7000

3. DoDDS Fiscal Division. The Chief, Fiscal Division, is responsible for:

a. The management and coordination of the terms of the Interagency Support Agreement (ISA) for DoDDS.

b. Resolving matters which cannot be resolved between the regions and DDMS.

c. Providing and maintaining operating procedures to the regions for the services provided by the ISA for the collection of DoDDS' delinquent out-of-service debts.

D. PROCEDURES FOR DoDDS DELINQUENT OUT OF SERVICE DEBT CASES

The accounting officer will immediately, change bill/demand letters, and notify all servicing payroll offices (payroll office) to change their bill/demand letters to state that if the amount due is not paid within 30 days from the bill/demand letter date, the debt maybe transferred to Defense Finance and Accounting Service-Denver for further collection action.

a. A debt case for \$99.99 or less will be transferred to the region for close-out. The region will close-out the debt cases from their accounts receivable record, and transfer the debt case to DoDDS, Fiscal Division for write-off in accordance with DS Regulation 7200.3, Appendix B and DoD 7000.14 R, Part II, Chapter 31.

b. A debt case for \$100 or more will be transferred to DDMS (address above).

(1) The payroll office will notify the region that the debt case was transferred to DDMS, and provide for acknowledgment of receipt or use US. certified mail. The notice must provide the following information on the debt case transferred to DDMS:

- Name of Debtor
- Social Security Number
- Debt amount balance(principal only)
- Other charges (amount of interest, penalties, fees, admin. costs
- Date of initial demand letter
- Date of last demand letter
- Nature of debt (i.e. LQA, FEGLI, H.B., WGI, QSI, Pay Incr., Leave
- Accounting classification

(2) The region will maintain accountability for the debt case transferred to DDMS, and reconcile DDMS reports to their accounts receivable records to ensure that the accuracy of debt cases submitted, open and closed, and validate the DDMS collection service fee billing.

c. At least two follow-up letters should have been sent and the debt must be at least 60 days past the due date with no dispute, waiver, bankruptcy, hearing or review action outstanding.

d. Debt collection for a debt that is pending the results of an outstanding action will remain with the respective payroll office or the regional office that initiated the collection action, until the debt is resolved. If the resolution sustains the debt and payment is not received within 60 days of notice, with at least two follow-up letters, and no repayment agreement is established, transfer the debt case.

e. The transferred delinquent debt case should include the initial bill/demand letter, follow-up letters, payment voucher or information, any correspondence from debtor, and any information, any correspondence from debtor, and any other charges, fees and interest due, and the accounting classification.

**REQUEST FOR RECOVERY OF DEBT DUE THE UNITED STATES
BY SALARY OFFSET**

1. PAYING AGENCY IDENTIFICATION		2. EMPLOYEE IDENTIFICATION	
a. NAME		a. NAME (Last, First, Middle Initial)	
b. ADDRESS (Street, City, State and Zip Code)		b. ADDRESS (Street, City, State and Zip Code)	
		c. DATE OF BIRTH	d. SOCIAL SECURITY NUMBER

To liquidate a debt to the United States, the named Creditor Component asks that the debt be collected as shown from the current pay of the employee identified above. Notices and inquiries concerning the debt should be sent to the address shown below.

3. DEBT INFORMATION							
a. REASON FOR DEBT							
b. DATE RIGHT TO COLLECT ACCRUED		c. DEBT IDENTIFICATION NUMBER, IF ANY					
d. ORIGINAL DEBT AMOUNT	\$	e. NUMBER OF INSTALLMENTS	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%; text-align:center;">⊕</td> <td style="width:10%; text-align:center;">Amount</td> </tr> <tr> <td style="text-align:center;">(1)</td> <td style="text-align:center;">(2)</td> </tr> </table>	⊕	Amount	(1)	(2)
⊕	Amount						
(1)	(2)						
f. INTEREST DUE <i>(If none, show N/A)</i>	\$		\$				
g. PENALTY DUE <i>(If none, show N/A)</i>	\$						
h. ADMINISTRATIVE COST <i>(If none, show N/A)</i>	\$						
i. TOTAL COLLECTION TO BE MADE	\$	j. COMMENCE DEDUCTIONS ON <i>(Enter date)</i>					

4. DUE PROCESS <i>(If applicable items and either enter date action taken in Column (1) or a Column (2) or (3) and attach acknowledgement or consent.)</i>							
	Date Action Taken (1)	Acknowl- edgement (2)	Consent (3)		Date Action Taken (1)	Acknowl- edgement (2)	Consent (3)
a. CREDITOR COMPONENT 30-DAY SALARY OFFSET NOTICE				d. HEARING HELD			
b. EMPLOYEE DID NOT RESPOND <i>(Consent assumed)</i>				e. DECISION FOR CREDITOR COMPONENT			
c. EMPLOYEE REQUESTED A HEARING				f. OTHER <i>(Specify)</i>			

I certify the following:

- (1) The debt identified above is properly due the United States from the named employee in the amount shown;
- (2) This Agency's regulations implementing 5 U.S.C. 5514 have been approved by the Office of Personnel Management; and
- (3) The information concerning this Component's and the employee's actions is correct as stated.

5. CREDITOR COMPONENT INFORMATION			
a. NAME		b. APPROPRIATION / FUND	
c. ADDRESS (Street, City, State and Zip Code)		(1) Title	(2) Symbol No.
		d. DISBURSING OFFICER	
		(1) Name (Last, First, Middle Initial)	(2) Symbol No.

6. CERTIFYING OFFICIAL	
(1) Signature	(2) Date Signed
(3) Title	(4) Telephone Number

DD Form 2481
REQUEST FOR RECOVERY OF DEBT DUE THE UNITED STATES
BY SALARY OFFSET
(Debt Claim Form)

AUTHORITY: DoD Instruction 7045.18

GUIDELINES FOR USE OF FORM

The information requirements for this form are rather obvious and with the exception of entry 3.e., the information can be obtained from the records of the Creditor Component. The Creditor Component must rely on the Paying Agency's cooperation and assistance in ascertaining a debtor's disposable pay. We recommend that DoD Components contact the Paying Agency to get the amount of disposable pay, compute the appropriate proposed installment payments and include the computed amount in the final demand notice to the debtor. This will ensure that the proposed installment payments are correct and assist the debtor in making a judgment on whether to challenge the amount of the proposed installment deduction.

This debt claim form has been designed primarily for requesting recovery of a debt by salary offset and certifying that due process has been completed when a debtor has not: responded to a demand for payment; requested a hearing; or refuted the Creditor Component's proposed installment deductions.

Regulations limit installment payments to 15 percent of a debtor's disposable pay, unless the debtor has authorized a larger amount to be withheld. The Creditor Component is required to designate on the debt claim form the number of installments and the amount of each installment when requesting offset from the Paying Agency. However, if the Creditor Component has not been successful in obtaining a debtor's disposable pay, entry 3.e. may be completed by including the words, "15 percent of disposable pay." In this case, entry 3.i. would be left blank.

ADMINISTRATOR DUTIES AND RESPONSIBILITIES FOR PROVIDING
HEARINGS FOR DEBTORS

In general the administrator performs the following functions for any hearing:

1. Review the hearing petition and determine whether the debtor is entitled to an oral hearing or a administrative hearing.

2. If a determination is made to grant a administrative or oral hearing, fax a copy of the petition to DoDDS, Fiscal Division. DoDDS will forward the petition to Washington headquarters Services (WHS). WHS will identify the DoD activity that will provide a hearing official. DoDDS will forward the information to the region.

3. Request a hearing official from the designated activity that was identified by WHS.

4. Notify the debtor of the hearing after a hearing officer is assigned to the case.

a. For oral hearings, the administrator will attend and provide a notification of the “ date and the time and location of the hearing to the parties involved in the hearing process: the debtor, the hearing officer, and the office responsible for determining the circumstances under which the debt occurred and the amount owed the debtor. An oral hearing normally will consist of informal conferences before a hearing official in which the employee and creditor organization will be given a full opportunity to present evidence, witnesses, and arguments.

(1) To the extent feasible, select a location that is convenient for the employee or as close as possible to the debtor’s work station. The debtor will bare his expenses incident to inspecting and copying government records or transportation for himself or his representation.

(2) Provide for the expenses of the hearing official.

(3) Provide for maintaining a summary record of the hearing.

5. Provide the debtor and hearing official with a copy of the records relating to the debt.

6. The hearing official will provide a written decision on the merits of the paper or oral hearing.

7. Perform the duties and responsibilities of an administrator for an appeal of the determination of the existence or amount of debt The appeal must be filed properly with the creditor organization and hearing officer.