

DEBT MANAGEMENT

- 1. REASON FOR ISSUE:** A modification is required to this directive to clarify the authority of Fiscal Officers to suspend and terminate collection action.
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES:** VA Directive 4800, Debt Management, section 3. "RESPONSIBILITIES," paragraph b., changed to correct an error in the original directive by raising the authority of Fiscal Officers to suspend or terminate collection action from debts under \$600 to debts under \$40,000. Remove page 8 and replace with the changed page 8.
- 3. RESPONSIBLE OFFICE:** Cash and Debt Management Division (047GC1), Office of the Deputy Assistant Secretary for Finance.
- 4. RELATED HANDBOOKS:** VA Handbooks, 4800.1, VA Collection Standards; 4800.2, Dispute Procedures for Benefits Debts (VBA and VHA); 4800.3, Waiver of Debts; 4800.4, Compromise of Debts; 4800.5, Suspension of Collection Action; 4800.6, Termination of Collection Action and Close Out of Debts; 4800.9, Interest, Administrative Costs, And Penalty Charges; 4800.10, Federal Accounts Receivable; 4800.12, Referrals For Enforced Collection (Litigation); 4800.13, Statute of Limitations, and 4800.16, Freedom of Information Act (FOIA) Fees.
- 5. RESCISSIONS:** None.

CERTIFIED BY:

/s/

John A. Gauss
Assistant Secretary for
Information and Technology

**BY DIRECTION OF THE SECRETARY
OF VETERANS AFFAIRS**

/s/

William H. Campbell /for/

D. Mark Catlett
Principal Deputy Assistant Secretary for
Management

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- (3) terminate collection action on claims valued up to \$100,000, and
- (4) refer for litigation claims of any amount.

b. With the exception of debts under [\$40,000], this directive redelegates from the Assistant Secretary for Management to the CFO for the Veterans Benefits Administration (VBA) and to the CFO for the Veterans Health Administration (VHA) the authority itemized above for all debts resulting from the operation of their respective administrations. This directive also redelegates this same authority to the Deputy Assistant Secretary for Finance for all debts under his/her collection jurisdiction, such as debt maintained at the Debt Management Center or by VACO Finance or VA Financial Services Center. Each administration CFO and the DAS for Finance may redelegate this authority as deemed appropriate down through the CFO structure to the field finance activity. It is recommended that substantial authority to suspend and terminate debts be delegated to the level of the Chief of the Fiscal Activity at field stations and the Director of the Debt Management Center. Any further redelegation of this authority must be documented by a written statement of such redelegation, and copies of the statement must be sent to the Cash and Debt Management Division (047GC1), the Delegation Control Officer, the Regional Counsel, and the General Counsel. For debts under [\$40,000], this directive delegates [] authority [] directly to the Chiefs of the Fiscal Activity at VA field stations.

c. Supplement 2 to Memorandum 00-92-2, Redelegation of Authority – Federal Claims Collection Act and Title 38 U.S.C. Section 3720, dated September 10, 1992, designates the Deputy Assistant Secretary for Finance as the Department's Claims Collection Officer.

d. Title 38 CFR §1.955-1.970 authorizes, within certain limitations outlined in VA Handbooks 4800.3, Waiver of Debts, and 4800.4, Compromise of Debts, a Committee on Waivers and Compromises (COWC) at each field station having regional office activities to grant or deny waiver, and to accept or reject offers of compromise in those cases not disposed of by the Chief of the fiscal activity (see VA Handbook 4800.4, paragraph 5). Jurisdiction of the Committees encompasses benefit debts originating in the VBA and VHA (including settlement of breached career residency contracts), and erroneous payment of pay and allowances to employees of the department. In addition, RCs have the authority to close or compromise claims as outlined in 4 CFR Chapter II and pursuant to the agreement with the DOJ as prescribed in the Memorandum of Understanding between the DOJ and VA dated March 13, 1987.

e. Title 38 CFR §42.43 and §42.44 authorize the collection and offset of civil monetary penalties (CMP) and assessments from any amount due a person from the Government except tax refunds.

f. COWC. For authority granted to a regional office COWC, see VA Directive 4060, Committees on Waivers and Compromises.

g. Chief of the Fiscal Activity. References throughout this directive to the authority of the Chief of the fiscal activity at VBA and VHA stations to collect, suspend, write-off, or compromise "all debts" relate only to those claims not under the jurisdiction of the General Counsel or RCs as described in this subparagraph.

(1) The General Counsel and RCs are delegated authority under 38 CFR §2.6(e)(4)(i) for making appropriate determinations with respect to the litigable possibilities of a claim (38 CFR §1.932), the legal merits of a claim (38 CFR §1.942(e)), and other legal considerations of a claim.