

# NFC

## Procedures



**National Finance Center**  
Office of the Chief Financial Officer  
U.S. Department of Agriculture

Updated October 2011

# Administrative Billings and Collections (ABCO)

Title III  
Billings and Collections Manual

Chapter 4  
Administrative Billings and Collections (ABCO)

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## Introduction

The major sections of this procedure are described below:

[Overview](#) provides general information about processing administrative billings and collection.

[Salary Offset Due To Employee Indebtedness](#) provides information regarding the salary offset process used to automatically make deductions from an indebted employee's disposable pay.

[Bill Initiation](#) provides information regarding the process used by agencies to establish bills for individuals and vendors indebted to the Government.

[Repayment Methods](#) provides information regarding the repayment methods used in resolving debts.

[Form Completion Instructions](#) provides instructions for the preparation of the billing form used by the Administrative Billings and Collections personnel to establish a billing account that will be automatically issued and monitored until the debt is resolved.

[Exhibits](#) contain illustrations of the reports.

[Appendix](#) contain reference information, such as code lists.

[Glossary](#) defines terms you need to know.

## Overview

The Administrative Billings and Collections System (ABCO) is an accounts receivable system of the U.S. Department of Agriculture (USDA). It provides a method for billing and collecting debts from Federal employees (current, separated or retired) and other individuals or vendors having outstanding debts with the Government.

For all debtor accounts established, ABCO monitors the debt and records all collections on the accounts until the debt are resolved. ABCO also processes voluntary (unbilled) collections for which only accounting records are produced and no bill is required.

Receivables are established in ABCO for:

- Overpayments, erroneous payments or duplicate payments that are processed in the USDA payroll/personnel and payment system
- Other employee related debts, such as damage to Government Property or failure to return government property
- Special billings issued in association with Foundation Financial Information System (FFIS) serviced agencies
- Voluntary collections received

For more information see:

- [Who To Contact For Help](#)
- [How Other Systems Interface With ABCO Reporting](#)

### **Who To Contact for Help**

For questions about NFC processing, contact the Administrative Billings and Collections Section at **504-255-5344**, Monday through Friday, 8 a.m. through 4 p.m., Central Standard Time.

### **How Other Systems Interface with ABCO**

ABCO provides accounting data related to revenue, refunds or reimbursements for the USDA's Budget Cost and General Ledger Systems. It interfaces with other USDA systems, (e.g., Travel and Payroll/Personnel) to properly record billing and collection transactions. ABCO provides automatic recording, aging and reporting of receivables which eliminates the need for agency period-end estimates.

ABCO provides online debtor account information through ABCO Online Inquiry (ABCOINQ). ABCOINQ allows agencies to view:

- Receivable records for overpayments, erroneous payments, duplicate payments or voluntary collections
- A list of receivables by debtor number
- Collection and adjustment records
- Bill records (including prior bill amount, past due amount, current charges and bill amount)
- Details of the receivable record

For detailed information on using ABCOINQ, see Title I, Chapter 17, Section 1.

### **Reporting**

ABCO provides periodic reports to agencies. The Report ABCO6I01, Status of Debtor Accounts ([Exhibit 1](#)) is generated from the data in ABCO. This monthly report notifies agencies of employee and vendor debtor accounts. It also provides a mechanism for agencies to monitor outstanding accounts receivable and accounts brought current. This report lists debtor accounts according to debtor number and provides other data, such as outstanding amounts. Agencies can also generate ad hoc reports through the FOCUS. For detailed information on using the FOCUS Reporting System, see Title VI, Chapter 5, Section 4.

## **Salary Offset Due To Employee Indebtedness**

Employee Indebtedness may be initiated by submitting corrected Time and Attendance (T&A) reports, personnel actions or via the Special Payroll Processing System (SPPS). After notification has been sent to the employee and a 30-day waiting period has expired, the National Finance Center (NFC) will begin deductions from the employee's salary. The amount deducted and the amount deducted per pay period depends on whether the indebtedness is major or minor. A major indebtedness exceeds 15 percent of the employee's disposable pay and will be offset in installments. A minor indebtedness is less than or equal to 15 percent of the disposable pay and is collected in a one-time pay deduction through salary offset.

For more information see:

[Debt Collection Act of 1982 and Debt Collection Improvement Act of 1996](#)

[Notice Of Intent To Offset Salary](#)

[Employee Rights](#)

[Employee Separation \(From His/Her Agency\)](#)

## **Debt Collection Act of 1982 and Debt Collection Improvement Act of 1996**

These Laws authorize automatic deduction from in indebted employee's disposable pay as a collection procedure. Included in the repayment of the debt are interest, penalties and administrative costs on overdue debts. It also authorizes the Government to contact for private collection services and to disclose information on debts to credit reporting services and the Department of the Treasury.

- These Acts permit collection of salary-related debts, program debts and general employee indebtedness by offset against an employee's current or final salary.
- These Acts prescribe standards to determine the amount to be deducted from an employee's basic pay, special pay, incentive pay, retired pay or other authorized pay.

## **Notice Of Intent To Offset Salary**

If the agency requests that NFC issue the salary offset notice, NFC calculates the debt. The Notice Of Intent to Offset Salary ([Exhibit 2](#)), is then sent to the employee's personnel office. This notice includes the following information:

- That either NFC, the employee's agency head or a designee has reviewed the records relating to the debt and has determined a debt is owed, the amount of the debt and related facts.
- That the NFC intends to deduct not more than 15 percent from the employee's current disposable pay until the debt, accrued interest and other costs are paid.
- The estimated amount, frequency, proposed beginning date and duration of the deductions.

- An explanation concerning the current rate of interest. Interest is charged at the current rate established by the Department of the Treasury, unless a Department has regulations allowing a higher rate. Interest is charged on the unpaid balance every month, beginning with the second month after the date on the Notice of Intent to Offset Salary. Interest is not accrued on those debts paid in a lump sum on or before the pay period stated on the notice. The interest rate charged when the debt is computed remains at the fixed rate for the duration of the time used in repaying the debt.

## Employee Rights

The employee's rights, which are briefly listed on the Notice of Intent to Offset Salary, are summarized below:

- That the employee has the right to inspect and copy the records relating to the debt.
- That the employee has the right to enter into a written repayment agreement different from the one proposed, if the terms are agreeable with the agency head or the agency head's designee.
- The employee has a right to request a hearing.
- The employee has a right to request a waiver.
- The employee has the right to be refunded any amount paid or deducted for a debt which is later waived or found not valid unless there are applicable contractual or statutory provisions to the contrary.

## Employee Separation (From His/Her Agency)

If an employee separates from his/her agency through resignation or death before collection of a debt is completed, the balance is automatically collected from any subsequent payments due the indebted employee (e.g., final salary, lump sum payments, etc). In addition to salary offset, when an employee separates or retires from an agency and leaves an indebtedness, his retirement account can be levied against for settlement of the account. NFC forwards to Office of Personnel Management (OPM) a Lien Letter ([Exhibit 3](#)).

NFC generates and forwards to the debtor an NFC-631na1, Bill for Collection ([Exhibit 4](#)). If an employee has a retirement account that can be levied, a Letter for Indebtedness for Salary Overpayment ([Exhibit 5](#)), which states the reason and amount of the indebtedness and the Consent Form ([Exhibit 6](#)), which shows agreement to offset the retirement account to repay the indebtedness will accompany the bill. If a response is not received within 60 days, NFC forwards the Standard Form (SF) 2805, Request for Recovery of Debt Due the United States ([Exhibit 7](#)), to begin processing the retirement offset.

**NOTE:** In attempting to collect repayment of debts, USDA participates in the Treasury Offset Program.

## Bill Initiation

Non system generated bills are established by agencies submitting an AD-343, Payroll Action Request, an e-mail from an authorized person or a properly executed payroll request in the Special Payroll Processing System (SPPS).

When NFC receives a request from the agency, the billing data is entered in ABCO. The Bill for Collection is then generated and sent to the debtor. In addition, when a Bill for Collection is generated for a non-salary related debt (e.g., travel, recertification, etc.) the Additional Information Regarding Employee Indebtedness ([Exhibit 8](#)), which explains the employee's rights under the Debt Collection Improvement Act of 1996, will accompany it.

For separated employees bills are automatically generated 1 and 2 months after the original billing date as a follow-up on all unpaid amounts. Billings may continue until the debt has been resolved. Delinquent statements included with these bills indicate the amount of interest charged on the unpaid balance after 1 month. If the bill is paid within 1 month, interest will not be charged. After the 1-month grace period, interest is accrued and continues to accrue on the unpaid balance every month thereafter until the debt is resolved.

**NOTE:** Bills are not issued for amounts less than \$10.00. These amounts will be automatically offset from an employee's salary in the next pay period if the debtor is payrolled by NFC.

For more information see:

[Repayment Methods](#)

[Deductions Delayed or Suspended](#)

## Repayment Methods

The debt may be repaid by either payroll deductions or a cash payment (check or money-order) for the full amount. If the employee has signed a Form NFC-1101D, Repayment Agreement ([Exhibit 9](#)), he/she can have the total amount deducted in a single pay period on or before the pay period specified on the agreement. The employee may have less than 15 percent deducted, but not less than \$25.00, if the agency's approving official determines that the 15 percent deduction would create an extreme financial hardship on the employee. In this situation, the approving official's signature and title must be on the Repayment Agreement. Specific details in the repayment of debts are listed below:

- If NFC issues the notice of a debt that is less than 15 percent of the employee's disposable pay, the full amount is automatically deducted in the second pay period after the 30-day waiting period has expired or in a pay period requested by the agency.
- If the employee's debt exceeds 15 percent of disposable pay and he/she does not sign the Repayment Agreement or has not paid the debt in full, 15 percent of disposable pay is deducted from the employee's pay until the debt is repaid. The deductions begin on the second pay period after the 30-day waiting period has expired.
- If two or more debts have been incurred, the total deductions cannot exceed 15 percent disposable pay unless the employee consents in writing to a larger amount.

## **Deductions Delayed or Suspended**

If an agency's authorized official requests that NFC delay or suspend salary offset, additional time may be granted to extend the number of pay periods prior to the initial deduction. Unless NFC is re-notified, the initial deduction automatically begins after the extended time has expired. The extended time is as follows:

**2 pay periods** if the agency requests to review the bill

**5 pay periods** if the employee requests a hearing

**5 pay periods** if a waiver is pending with the agency

To keep personnel offices fully informed as to the pay periods in which deductions begin, a system-generated report, Report ABCO2Y01, Outstanding Salary Offset Debts-Suspended by Agency As of Pay Period ([Exhibit 10](#)), is produced each pay period and mailed to personnel offices. The report projects 2 Pay Periods in advance of the Pay Period in which salary offsets begin and includes the status codes used to identify the reasons for the extended times requested. The status codes are as follows:

**HO** - agency requests to review bill

**HR** - employee requests hearing

**WA** - waiver pending with agency



## **Form Completion Instructions**

This section contains completion instructions for the following form:

- AD-343, Payroll Action Request

For more information see:

[Completing Form AD-343, Payroll Action Request](#)

## **Completing Form AD-343, Payroll Action Request**

Form AD-343, Payroll Action Request, ([Figure 1](#)) is used by agencies to initiate billings for employees payrolled at NFC for items other than salary overpayments, such as, travel debts, damage to Government property or failure to return Government property. The completed form must be submitted to the address preprinted on the form which is shown below. The agencies should retain a copy for their files. After the AD-343, Payroll Action Request is received and processed at NFC the Form NFC-631na1, Bill for Collection, is produced and mailed to the employee.

USDA, National Finance Center

Attn: ABCO Section - Billings Unit

P.O. Box 61765

New Orleans, LA 70161

PAYROLL ACTION REQUEST		2. ADJUSTMENT PERIOD (Inclusive)				
		FROM		TO		
1. PERSONNEL OFFICE SEQUENTIAL REQUEST NUMBER		DATE	P/P	DATE	P/P	
<b>3. INSTRUCTIONS ON REVERSE OF AGENCY COPY PLEASE READ CAREFULLY</b>		<b>4. FROM</b>				
<b>U.S. DEPARTMENT OF AGRICULTURE NATIONAL FINANCE CENTER PO BOX 60000 NEW ORLEANS LA 70160</b>		AGENCY CODE		PERSONNEL OFFICE IDENTIFIER		
		AGENCY NAME AND MAILING ADDRESS		ACCT. STATION CODE		
		CITY		STATE	ZIP CODE	
		5. EMPLOYEE'S T&A CONTACT POINT				
		6. FLSA				
9. SOCIAL SECURITY NO.		10. EMPLOYEE'S NAME (Last, First, Middle Initial)				
11. NATURE OF ACTION TO BE TAKEN		7. RETIREMENT COVERAGE CODE				
13. EXPLANATION OF CIRCUMSTANCES WHICH REQUIRE THIS ACTION		8. TYPE EMPLOYMENT				
		12. TERMINATED				
15. ACCOUNTING DATA TO BE CHARGED AND/OR CREDITED		CHECK MAILING ADDRESS OR DESIGNATED AGENT NUMBER				
		14. GROSS AMOUNT OF ADJUSTMENT				
16. ATTACHMENTS SUPPORTING OR AUTHORIZING THIS ACTION		17. PERSON TO BE CONTACTED FOR ADDITIONAL INFORMATION				
18. EMPLOYEE'S SIGNATURE AND DATE SIGNED (If Required)		TELEPHONE (Area Code and Number)				
19. APPROVAL		DATE APPROVED				

Figure 1. [Form AD-343, Payroll Action Request](#)

## **Completion Instructions for Form AD-343, Payroll Action Request**

Complete Form AD-343, Payroll Action Request according to the instructions below. The block names in the following instructions correspond to the block names displayed on the form.

### *FORM AD-343, PAYROLL ACTION REQUEST*

<b>BLOCK NUMBER ON FORM</b>	<b>TITLE ON BLOCK</b>	<b>INSTRUCTIONS</b>
Block 1	Personnel Office Sequential Request Number	Enter the agency-assigned sequential number to identify the payroll action request. The first request of the year should start with 1. Thereafter, each request is assigned the next number in ascending order. Each leave year, a new series of numbers is issued.
Block 2	Adjustment Period (Inclusive) From: Date P/P To: Date P/P	Enter the inclusive dates and Pay Periods for the adjustment. When the request for an adjustment or correction involves one or more previous Pay Periods, a detailed description is shown in Block 13, Explanation Of Circumstances Which Require This Action.
Block 3	Instructions On Reverse Of Agency Copy Please Read Carefully	Do not enter any information in this block.
Block 4	From: Agency Code, Personnel Office Identifier, Acct Station Code, Agency Name and Mailing Address	Agency Code: Enter the 2-digit agency code assigned by the department. Personnel Office Identifier: Enter the 4-digit code assigned by the agency to the personnel office responsible for processing personnel and other related documents for the employee. Acct Station Code: Enter the 4-digit accounting station code assigned by the agency. Agency Name and Mailing Address: Enter the full name and address of the office preparing the request. <b>NOTE:</b> Ensure that the information is shown correctly, since future correspondence will be sent to the address identified in this block.
Block 5	Employee's T&A Contact Point	Enter the applicable contact point code to identify the agency office where NFC can direct inquiries about T&A reports.
Block 6	FLSA	Check the exempt box for employees not covered under the Fair Labor Standards Act (FLSA). Check the non-exempt box for employees covered under the Fair Labor Standards Act.
Block 7	Retirement Coverage Code	Enter the code to indicate if the employee's appointment is subject to FICA or retirement deductions at the appropriate percentage rate. Annotate whether the employee is Civil Service Retirement System (CSRS), CSRS Offset or Federal Employees Retirement System (FERS).
Block 8	Type Employment	Check the block that indicates the employee's type of employment (full-time, intermittent, re-employed annuitant, part-time, alternate work schedule).

*FORM AD-343, PAYROLL ACTION REQUEST*

<b>BLOCK NUMBER ON FORM</b>	<b>TITLE ON BLOCK</b>	<b>INSTRUCTIONS</b>
Block 9	Social Security No.	Enter the employee's Social Security Number to ensure the action is processed against the correct record. No entry or an incorrect entry will result in a processing delay. If the request involves more than one pay period or employee, enter "See Attachment" and list the names, Social Security Numbers and Pay Periods on an attachment.
Block 10	Employee's Name (Last, First, Middle Initial)	Enter the employee's full name as it appears on the employee's Standard Form-50, Notification of Personnel Action, (Last, First, Middle Initial). If the request involves more than one employee, enter "See Attachment" and list the names and Social Security Numbers on an attachment.
Block 11	Nature Of Action To Be Taken	Enter a description of the type of action to be taken. Enter detailed explanations in Block, 13, Explanation Of Circumstances Which Require This Action. If an employee has different transactions, a separate AD-343, Payroll Action Request must be used.
Block 12	Terminated	If applicable, check the appropriate block. If the employee was terminated, enter the date terminated. Enter the employee's mailing address. If check is to be mailed to a designated agent, enter the agency-assigned 4-digit agency number.
Block 13	Explanation Of Circumstances Which Require This Action	Enter the detailed explanation of the transaction. Includes specific dates if applicable. For additional space, use a separate sheet and enter "See Attachment".
Block 14	Gross Amount Of Adjustment	If available, enter the gross amount of the adjustment.
Block 15	Accounting Data To Be Charged And/Or Credited	Enter the appropriate accounting code to be used on the amounts entered in Block 13, Explanation Of Circumstances Which Require This Action. If the charges or credits affect multiple accounting distributions, each must be entered. If the correction involves a number of line items, enter "See Attachment" and list the data on an attachment. Also enter the dollar amounts or hours for each line item. In addition to these entries, include the object classification code(s) used for the payment transactions.
Block 16	Attachments Supporting Or Authorizing This Action	Enter a detailed description of each attached document that relates to or authorizes the action. Also, show in parentheses the number of documents attached.
Block 17	Person To Be Contacted For Additional Information	Enter the name and telephone number of the person that NFC should contact for additional information.

FORM AD-343, PAYROLL ACTION REQUEST

<b>BLOCK NUMBER ON FORM</b>	<b>TITLE ON BLOCK</b>	<b>INSTRUCTIONS</b>
Block 18	Employee's Signature And Date Signed (If Required)	The employee should sign and date this block only if the regulations require consent from the employee.
Block 19	Approval	The authorized official <b>must</b> sign and date this block and enter his/her title.

## Exhibits

This section contains the following exhibits:

- Report ABCO6I01, Status of Debtor Accounts
- Form NFC-1100D, Notice of Intent To Offset Salary
- Lien Letter
- Form NFC-631na1, Bill for Collection
- Letter for Indebtedness for Salary Overpayment
- Consent Form
- SF-2805, Request for Recovery of Debt Due the United States
- Additional Information Regarding Employee Indebtedness (employee's rights under the Debt Collection Improvement Act of 1996)
- Form NFC-1101D, Repayment Agreement
- Report ABCO2Y01, Outstanding Salary Offset Debts-Suspended by Agency as of Pay Period XX.

REPORT NO. ABC06101	USDA-NFC	ADMINISTRATIVE BILLINGS AND COLLECTIONS	SENSITIVE PERSONNEL DATA --- USE IS RESTRICTED	PAGE 1				
DATE PREPARED 02/27/09	STATUS OF DEBTOR ACCOUNTS	U.S. DEPARTMENT OF AGRICULTURE						
AGENCY:16								
DEBTOR NUMBER	SYS DEBTOR NAME	BILL NO	ACCT CLM AGENCY	BILL AMOUNT	COLLECT AMOUNT	DATE	AMOUNT DUE	AGE
16			16	9,406.44	9,406.44	02/03/09		0024
16			16	503.56	503.56	02/05/09		0022
					TOTAL FOR DEBTOR		.00	
16			16	1,652.41	.03	02/22/06	1,652.38	1122
16			16	288.00	.00	00/00/00	288.00	0722
16			16	23,569.58	.00	10/23/08	23,569.58	0134
16			16	17,640.00	.00	10/23/08	17,640.00	0134
					TOTAL FOR DEBTOR		41,209.58	
16			16	5,607.97	5,607.97	01/27/09		0031
16			16	483.00	483.00	02/04/09		0023
16			16	42,246.00	42,246.00	02/03/09		0024
					TOTAL FOR DEBTOR		.00	
16			16	915.83	915.83	02/25/09		0002
16			16	11,926.48	11,926.48	02/11/09		0016
16			16	3,088.53	3,088.53	02/11/09		0016
16			16	1,862.67	1,862.67	02/11/09		0016
16			16	4,930.71	4,930.71	02/11/09		0016
16			16	3,618.26	3,618.26	02/11/09		0016
					TOTAL FOR DEBTOR		.00	
16			16	1,991.50	1,991.50	02/11/09		0016
16			16	2,299.50	2,299.50	02/11/09		0016
16			16	2,521.75	2,521.75	02/11/09		0016
16			16	3,255.27	3,255.27	02/11/09		0016
16			16	2,800.00	2,800.00	02/11/09		0016
16			16	2,112.50	2,112.50	02/11/09		0016
16			16	1,713.94	1,713.94	02/11/09		0016
16			16	2,149.58	2,149.58	02/11/09		0016
16			16	5,646.66	5,646.66	02/11/09		0016
16			16	2,940.00	2,940.00	02/11/09		0016
					TOTAL FOR DEBTOR		.00	
16			16	1,698.80	1,698.80	02/19/09		0008
16			16	1,055.85	1,055.85	02/19/09		0008
16			16	4,283.31	4,283.31	02/19/09		0008
16			16	2,904.40	2,904.40	02/19/09		0008
16			16	2,443.11	2,443.11	02/19/09		0008
16			16	2,982.38	2,982.38	02/19/09		0008
16			16	3,147.70	3,147.70	02/19/09		0008
					TOTAL FOR DEBTOR		.00	

Exhibit 1, Report ABC06101, Status of Debtor Accounts

**NOTICE OF INTENT TO OFFSET SALARY**

EMPLOYEE NAME:  
BILL DATE:  
DEBTOR NUMBER:  
BILL NUMBER:

AGY - SDN:  
ORG:  
AMOUNT OWED:  
ESTIMATED DEDUCTION AMOUNT:  
PP TO BEGIN DEDUCTIONS:  
ANNUAL INTEREST RATE:

Dear

According to our records, you have been overpaid a total of . This overpayment occurred due to processed in pay period . This notice has been generated and we intend to deduct approximately from your bi-weekly pay starting in pay period . This estimate is based upon your salary for the last pay period. These deductions will continue every pay period until the debt, accumulated interest and other costs are paid-in-full. This deduction may be up to 15 percent of your disposable pay, in accordance with the Debt Collection Improvement Act of 1996.

If you agree that this debt is valid and you wish to have it paid in the manner stated above, no further action is necessary. If you agree that this debt is valid, but prefer to repay in one lump sum, please send your check or money order in the total amount of the bill within 30 days of this letter, payable to your agency, along with your signed Repayment Agreement to:

**USDA/National Finance Center  
Administrative Collections  
P.O. Box 790342  
St. Louis, MO 63179-0342**

If you would like to discuss other options for repayment, have any questions, or wish to exercise your rights as listed below, within 30 days from the date of this letter, please contact:

**Agency Contact >**

As an employee, you have the following rights:

- To inspect and copy the records relating to the debt.
- To enter into a written agreement for a repayment schedule different from that proposed so long as your terms of repayment are agreeable with your agency.
- To request a hearing pursuant to 5 CFR 550.1104, 31 CFR Parts 900 - 903, the Debt Collection Improvement Act of 1996 as amended, and existing agency regulations. The hearing will consider the existence of the debt, the amount of the debt, and/or percentage of disposable pay to be deducted each pay period. The timely filing of a petition for a hearing will suspend collection proceedings.
- To a final decision on the hearing at the earliest practical date, but not later than 60 calendar days after you file your hearing petition.
- To request a waiver of salary overpayment and other applicable allowances under 5 USC 5584, 10 USC 2774, or 32 USC 716. You may also question the amount or validity of a salary overpayment or general debt by submitting a claim to your agency.
- To have any monies paid on or deducted for the debt which are later waived or found not owed to the United States to be promptly refunded to you unless there are applicable contractual or statutory provisions to the contrary.

If you wish to petition for a hearing to dispute the existence or amount of the debt, or the amount of the payroll deduction, you must file a written request for a hearing within 15 calendar days from receipt of this letter. Your request will temporarily suspend collection action. Any knowingly false or frivolous statements, representation, or evidence may subject you to disciplinary procedures under 5 USC Chapter 75, 5 CFR Part 752; penalties under the False Claims Act, 31 USC 3729-3731; or criminal penalties under 18 USC 286, 287, 1001, and 1002.

The Department of Treasury's policy on the assessment and waiver of interest, penalties, and administrative costs can be found in 31 CFR Parts 900 - 904 and 31 USC 3717. These regulations permit the assessment of interest on the outstanding balance if the amount owed is not paid within 30 calendar days from the date of this notice and the assessment of administrative costs on delinquent debts, as well as penalties for each missed payment.

If we do not hear from you within 30 calendar days from the date of this letter, we will begin deductions from your salary as described above.

Administrative Billings and Collections Section

Mail  
to >

FORM NFC-1100D (5/07)

**Exhibit 2, Form NFC-1100D, Notice of Intent To Offset Salary**





**U.S. Department of Agriculture**  
**National Finance Center**  
Administrative Billings and Collections Section  
P.O. Box 61765, New Orleans, LA 70161

Date

Office of Personnel Management  
Employees Service and Record Center  
P.O. Box 45  
Boyers, PA 16017

Gentlemen:

Please withhold processing refund to the following employee. We became aware of the indebtedness in the amount of \$«Amount» after the Standard Form 2806, Individual Retirement Record, had been submitted:

**Personnel Office ID#: 12-40-0001**

**Name: «Name»**

**SSN: «SSN»**

**DOB: «DOB»**

**Separation Date: «SepDate»**

**Retirement Code: «RetCode»**

**OPM Register #: «OPMReg»**

**Agency: «Agency»**

**Reason: «Reason»**

Necessary documents and certification will follow after the employee has been given due process.

«Technician», Accounting Technician  
Administrative Billings and Collections Section

## BILL FOR COLLECTION

DEBTOR NUMBER	BILL NUMBER	SON	BILLING DATE

For additional information, please call:

**SEE REVERSE FOR IMPORTANT INFORMATION.**

To protect the interest of the Government on amounts overdue, the Department of Treasury requires a late payment charge on all delinquent debts. Remittance for the Total Amount Due must be received on or before the Due Date. The interest rate to be applied to the past-due principal is determined quarterly by the Department of Treasury.

Please include your debtor and bill numbers on your remittance payable to the

and mail to:

PRIOR BALANCE	PAYMENTS RECEIVED	CREDIT ADJUSTMENT	AMOUNT PAST DUE	DEBIT ADJUSTMENT	CURRENT CHARGES
Late payment charge is           % (per annum).				DUE DATE	TOTAL AMOUNT DUE
<i>Total amount due must be received no later than:</i>					

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

DEBTOR NUMBER	BILL NUMBER	SON	DUE DATE	AMOUNT DUE	AMOUNT REMITTED
					\$

*Mail To:*

**Exhibit 4, Form NFC-631na1, Bill for Collection**



**U.S. Department of Agriculture  
National Finance Center  
Administrative Billings and Collections Section  
P.O. Box 61765, New Orleans, LA 70161**

Date

**Subject: INDEBTEDNESS FOR SALARY OVERPAYMENT**

Dear Former Employee:

According to our records and/or information furnished by your former agency, you are indebted to your former agency. The Federal Claims Collection Standards require that we notify you of the following information:

1. A notation has been placed on your Individual Retirement Record to indicate that you are indebted to the Government and the nature of the debt.
2. We are requesting that we receive your remittance within 25 days from the date on the enclosed bill. Your cooperation in returning the copy of the bill with your remittance will be appreciated and will assist us in taking no further action to offset the debt from the funds in your retirement account. Please send all payments and any correspondence accompanying the remittance to the following address:  
USDA, National Finance Center  
Administrative Collections  
P.O. Box 790342  
St. Louis, MO 63179-0342
3. If you feel this indebtedness is incorrect, you have 30 days from the date of this letter to request reconsideration of this debt, including the possibility of waiver and/or compromise, if applicable. If the question of indebtedness cannot be resolved by review of documentary evidence in this office or your former agency and issues of credibility and veracity exist, you will be provided an opportunity for an oral hearing prior to offset of your debt.
4. If your payment or request for reconsideration is not received within the time limit provided, we will request the Office of Personal Management to offset your indebtedness from the funds in your retirement account.
5. In addition to a late payment charge being assessed on delinquent debts, we will also assess a penalty charge of 6.000 percent per annum on any unpaid indebtedness balance delinquent for more than 90 days. This charge accrues from the date the debt became delinquent.

If you prefer to have the collection of your indebtedness offset from your retirement account, please sign the enclosed Consent Form and return it to:

USDA, National Finance Center  
Administrative Billings and Collections Section  
P.O. Box 61765  
New Orleans, LA 70161

If you wish to contact us concerning this matter, you may call 1-800-255-5295.

Administrative Billings and Collections Section  
Enclosures

Date

CONSENT FORM

I have been advised of my rights concerning my indebtedness to the U. S. Government and hereby agree to have this debt offset from monies in my retirement account.

I understand that the amount due will not be offset against the monies in my retirement account until the Office of Personnel Management receives my Application for Refund of Retirement Deductions.

SF 3106, Application For Refund of Retirement Deductions (**FERS**)  
Standard Form 2802, Application For Refund of Retirement Deductions (**CSRS**)

Debtor Number: «Debtor No»

Bill Number: «Bill No»

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Please sign and return this consent form to:

USDA, OCFO, NFC  
Administrative Billings and Collections Section  
P. O. Box 61765  
New Orleans, LA 70161

«Initials»

**Exhibit 6, Consent Form**

<b>Request for Recovery of Debt Due the United States</b>		
Name of annuitant or former employee from whom collection is being sought (and other names under which employed)		Retirement system (check one)
		<input type="checkbox"/> CSRS <input type="checkbox"/> FERS
Social Security Number	Date of birth (mm/dd/yyyy)	Retirement claim number
		CSA
Also show name of survivor of former employee, if applicable		
Social Security Number	Date of birth (mm/dd/yyyy)	Retirement claim number
		CSF
Description of Debt		
Name and address to which payment should be made	Date service terminated (mm/dd/yyyy)	Amount of debt
		\$
	Date claim accrued (mm/dd/yyyy)	Amount of each installment
		\$
Appropriation or fund to credit (title and symbol number), if applicable	Disbursing officer (name and symbol number), if applicable	Additional interest (check one)
		<input type="checkbox"/> will accrue <input type="checkbox"/> will not accrue
Reason for debt		
Due Process		
<p>I hereby certify that the individual identified above owes the United States a debt in the amount certified; that procedures in 31 CFR 901, et. seq., and in 5 CFR 831.1801, et. seq., or 5 CFR 845 have been followed; and if ordered by a competent administrative or judicial authority, we will reimburse OPM or repay the debtor the amount received from OPM within 15 days of the date of the order.</p>		
Check all statements that apply.		
The creditor agency MUST send the notice of intent to offset retirement benefits, even if there is a judgment for restitution.		
<input type="checkbox"/>	Date of demand letter giving notice required by 31 CFR 901, et. seq. — — — — —	/ /
<input type="checkbox"/>	Letter included <i>notice of intent to offset retirement benefits?</i> — — — — —	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	If no, notice must be provided before recovery is requested. Letter giving <i>notice of intent to offset retirement benefits</i> was sent to debtor on — — — — —	/ /
<input type="checkbox"/>	Judgment for restitution is attached.	
<input type="checkbox"/>	Debtor acknowledged debt; copy is attached.	
<input type="checkbox"/>	Debtor consented to collection from retirement benefits; copy is attached.	
<input type="checkbox"/>	Debtor did not respond; but consent to collection is assumed.	
<input type="checkbox"/>	Debtor requested review/hearing on — — — — —	/ /
<input type="checkbox"/>	Review/hearing on / /	resulted in decision to collect the amount certified. No further review is available.
Signature of agency official making certification		Date (mm/dd/yyyy)
Title	Telephone number (including area code)	Fax number (including area code)
Office of Personnel Management Report of Action on Request for Recovery		
<input type="checkbox"/>	a. Retirement account is available for immediate set-off. OPM will make payment to you as soon as possible.	
<input type="checkbox"/>	b. Retirement deductions for the last known period of service have been refunded. Request for recovery has been filed for possible future action.	
<input type="checkbox"/>	c. Retirement account for the last known period of service has not been received at OPM. Request for recovery has been filed for possible future action.	
<input type="checkbox"/>	d. Debtor has not filed an application for benefits. Request for recovery has been filed for possible future action.	
<input type="checkbox"/>	e. Debtor has no amount to his credit in the Retirement Fund. Request for recovery has been filed for possible future action.	
<input type="checkbox"/>	f. We are unable to identify the debtor from the data furnished. We will make another attempt after you enter the missing items and return all copies to us.	
<input type="checkbox"/>	g. Other (specify)	
Signature of authorized OPM official		Date (mm/dd/yyyy)
U.S. Office of Personnel Management CSRS/FERS Handbook for Personnel and Payroll Offices Authorized for Local Reproduction		Standard Form 2805 Revised December 2005 Previous editions are not usable.
Part 1 - To Office of Personnel Management		

Exhibit 7, SF-2805, Request for Recovery of Debt Due the United States

ADDITIONAL INFORMATION REGARDING EMPLOYEE INDEBTEDNESS

Our records show that you are indebted as stated on the attached Bill for Collection (Form NFC-631). In accordance with your Department's salary offset procedures, we intend to collect this amount by offsetting your salary until the debt and all accumulated interest and other costs are paid in full unless we receive full payment within 30 days from the bill date. A deduction of 15% of your disposable pay will begin and will continue until the debt is repaid unless a different repayment schedule is accepted by your agency.

Interest and other cost will be assessed in accordance with 4 CFR 102.13 and 13 USC 3717. The current rate of interest is percent per annum.

As an employee, you have the following rights:

- The right to inspect the records relating to the debt.
- The right to enter into a written agreement for a repayment schedule that is different from the one proposed above, so long as your terms of repayment are agreeable with your agency.
- The right to a hearing conducted by an administrative law judge or a hearing official from outside the control of your department. The hearing will consider the existence of the debt, the amount of the debt, and/or percentage of disposable pay to be deducted each pay period. The timely filing of a petition for a hearing will stop the collection proceedings.
- The right to a final decision on the hearing at the earliest practical date, but not later than 60 calendar days after you file the hearing petition.
- The right to request a waiver of the indebtedness under 5 USC 5584, 10 USC 2774, or 32 USC 716. You may also question the amount of validity of the indebtedness by submitting a claim to the Comptroller General in accordance with General Accounting Office procedures.
- The right to have any monies paid on or deducted for the debt which are later waived or found not owed to the United States to be promptly refunded to you unless there are applicable contractual or statutory to the contrary.

If you wish to file a petition for a hearing, your agency must receive the petition within 30 days from the date on the Bill for Collection.

Any knowingly false or frivolous statements, representation, or evidence may subject you to disciplinary procedures under 5 USC Chapter 75, 5 CFR Part 752; penalties under the False Claim act, 31 USC 3731; or criminal penalties under 18 USC 286, 287, 1001 and 1002.

Should you have any questions regarding this indebtedness, please contact your agency, or you may call 1-800-421-0323.

### REPAYMENT AGREEMENT

DEBTOR NUMBER:  
BILL NUMBER:  
ANNUAL INTEREST RATE:  
EMPLOYEE NAME:

AMOUNT OWED:  
ESTIMATED DEDUCTION AMOUNT:  
PAY PERIOD TO BEGIN DEDUCTIONS:

I understand that I owe the amount indicated above. Should I fail to return this repayment agreement, 15 percent of my disposable pay will be deducted beginning in the stated pay period. An estimate of this amount is shown above. Deductions will continue until the debt is completely repaid.

I also understand that if I decide to repay the amount owed by any method other than in a lump sum payment, interest at the rate indicated above will be charged on the unpaid balance every month, until the debt is paid in full.

I choose the following repayment plan (Check one):

1. My lump sum payment in the amount of \$\_\_\_\_\_ is enclosed.

IF YOU HAVE SELECTED OPTION 1, sign and return the agreement to the following address:

USDA/National Finance Center  
Administrative Collections  
P. O. Box 790342  
St. Louis, MO 63179-0342

Include on your payment check or money order, your Social Security Number and bill number. Make your check or money order payable to your agency.

2. NFC may deduct from my salary the TOTAL amount owed in the pay period shown above in "Pay Period To Begin Deductions".

3. NFC may deduct from my salary the TOTAL amount owed one pay period prior to the pay period shown above in "Pay Period To Begin Deductions".

4. I do not want to pay it all at once. You may deduct \$\_\_\_\_\_ each pay period which is more than 15 percent of my disposable pay.

IF YOU HAVE SELECTED OPTIONS 2, 3, OR 4 sign and return the agreement to the following address:

USDA/National Finance Center  
Administrative Collections  
P. O. Box 61765  
New Orleans, LA 70161

5. I am unable to pay 15 percent of my disposable pay because of a financial hardship. You may deduct \$\_\_\_\_\_ (not less than \$25) each pay period. This repayment amount has been approved by my employing agency. (Signature of agency approving official is required below.)

IF YOU HAVE SELECTED OPTION 5, return the agreement signed by both you and the agency approving official and return to the following address:

USDA/National Finance Center  
Administrative Collections  
P. O. Box 61765  
New Orleans, LA 70161

EMPLOYEE'S SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

#### APPROVING OFFICIAL'S AGREEMENT (REQUIRED FOR OPTION 5 ONLY)

I agree that the employee may repay the amounts as prescribed in Option 5 above.

AGENCY REPRESENTATIVE'S SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

PRINT AGENCY REPRESENTATIVE'S NAME AND TITLE \_\_\_\_\_

PHONE \_\_\_\_\_

FORM NFC-1101D (4/10)





## **Appendix**

This section contains the following appendix:

- System Codes

For more information see:

**[System Codes](#)**

## System Codes

<b>System Code</b>	<b>Description</b>
01	Travel Advances (ADVN)
02	Travel Vouchers (TVCH)
16	Transportation (Other)
25	Utilities (UTVN)
26	Telephones (TELE)
61	Travel (TRVL)
68	Miscellaneous Payments (MISC)
91	Payroll
92	Government Receivables (ABCO-Misc)
SX	Special Payroll Processing System (SPPS)

## Glossary

**Additional Information Regarding Employee Indebtedness.** Explains employee's rights under the Debt Collection Improvement Act of 1996 and is issued on all debts exceeding 15 percent of an employee's disposable pay. It accompanies the Bill for Collection.

**Bill for Collection.** Used for the following reasons: Employee debts that are not related to salary overpayments, For all debts of employees who have separated from his/her agency before the debt collection was completed, All other Federal or non-Federal debtors, with the exception of carrier billings.

**Letter for Indebtedness For Salary Overpayment on a Separated Employee.** Notifies a separated employee of information as required by the Federal Claims collection Standards.

**Consent Form.** Serves as permission from the debtor to have his/her retirement account offset in repayment of the debt.

**Debt.** An Amount owed to the United States Government.

**Disposable Pay.** Any pay due an employee that remains after required deductions for Federal, State and local income taxes; Social Security taxes, including Medicare taxes; Federal Retirement programs, premiums for life and health benefits; and such other deductions required by law to be withheld.

**Notice of Intent to Offset Salary.** Issued on all employee indebtedness if the employee is payrolled at NFC.

**Outstanding Salary Offset Debts Suspended by Agency as of Pay Period XX.** A report of pending salary offsets for debts which have been suspended by the agency.

**Repayment Agreement.** Issued on all debts exceeding 15 percent of an employee's disposable pay.

**Request for Recovery of Debt Due the United States.** Forwarded to OPM as notice of separation or retired employee's indebtedness to the Government and the need to make deductions from their retirement account in order to satisfy the debt. In ABCO, retirement accounts deposits are flagged for possible offset to cover the remaining indebtedness through coordination with OPM.

**Salary Offset.** An automatic deduction from an employee's disposable pay without his/her consent to satisfy a Government debt.

**Status of Debtor.** A report for outstanding debts for an agency.

**Waiver.** A forgiveness of a debt owed by an employee to an agency as permitted by law.

# Heading Index

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