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# **DEBT MANAGEMENT CENTER** **(DMC)**

## ***School Tuition Debt Payment Procedures***

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# Overview of Topics



- **About DMC**
- **How and Why Debts are Established for Schools**
- **The Collection Process**
- **TOP**
- **FAQ**
- **Questions?**



# About DMC



## *About DMC: DMC's Mission Statement*



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



## **About DMC:**

*How DMC's involvement in the debt collection process for schools has changed*



- April 2009 and January 2011: VA sent schools guidance regarding when debts would be assessed to schools for Post 9/11 GI Bill tuition funds. At this time schools were returning payments to the four Regional Processing Offices (RPO's), which meant that school officials had to contact multiple offices for information about school debts and returned payments.
- January 2012: DMC began processing all school tuition debt payments, all unapplied payments were routed to the Muskogee RPO for processing.
- April 2013 : DMC became the one point of contact for all disputes and inquiries regarding school tuition debts. DMC also began refunding unapplied funds received from TOP (Muskogee still processes all unapplied check funds).



# How and Why Tuition Debts are Established for Schools



## *How is a Debt Established for a School?*



1. The Regional Processing Office (RPO) receives an amended 1999 that meets the criteria for a tuition overpayment debt to be created for a school or identifies that a duplicate or erroneous tuition payment has been made.
2. The RPO establishes the debt and sends the school a letter with the amount, term dates, and reason for the creation of the debt. **This is the only letter the school will receive that will contain all three pieces of information.** This letter also advises schools that the Debt Management Center will be contacting them.
3. A few days after the RPO establishes the debt, DMC will begin collection of the debt by sending our first Notice of Indebtedness. **All payments and disputes for the debt should be sent to DMC.**



## *Why is a Debt Established for a School?*



- Student never attended classes for which he/she was certified (regardless of the reason for non-attendance).
- The student completely withdraws on or before the first day of the term. If a student reduces, the debt shall be assessed to the student.
- The school received a payment for the wrong student.
- The school received a duplicate payment.
- The school submitted an amended enrollment certification and reported reduced tuition and fee charges, reduced Yellow Ribbon amount, or both.
- The student dies during the term or before the start of the term.
- VA issued payment above the amount certified on the enrollment certification that was used to process the payment (VA data entry error).





# The Collection Process



# The Collection Process



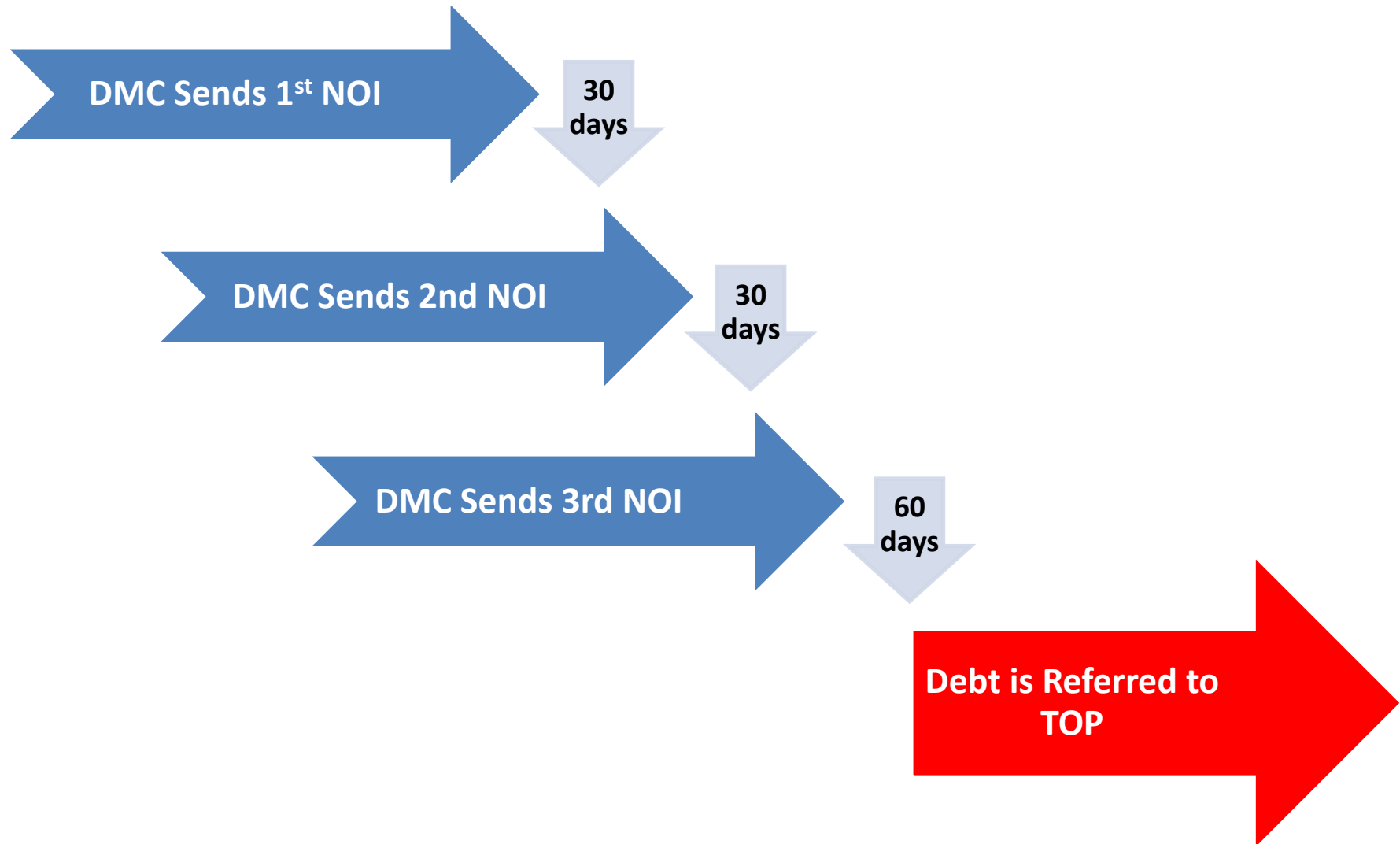
DMC sends **three** Notice of Indebtedness letters over a period of sixty days. These letters all provide information regarding:

- Where to send payment, including return envelope and payment remittance stub
- E-mail address: [dmcedu.vbaspl@va.gov](mailto:dmcedu.vbaspl@va.gov)
- Toll-free number for DMC: 1-800-827-0648

After the third collection letter is sent, if payment is not received and applied within 60 days, the account will be referred to the U.S. Department of Treasury, Treasury Offset Program (TOP). In other words, if a debt is still unpaid 120 days after the first Notice of Indebtedness is sent, it will be referred to TOP.



# The Collection Process Cont'd Timeline for TOP Referral





## *The Collection Process Cont'd*



All disputes and inquiries should be processed through DMC to ensure proper follow-up and possible suspension of collection action. Disputes should be submitted via email to [dmcedu.vbaspl@va.gov](mailto:dmcedu.vbaspl@va.gov).

**All payments should go to the Debt Management Center; however you should not send in payment until you have received a collection letter from DMC.**



# The Treasury Offset Program (TOP)



# TOP



- TOP is a centralized offset program managed and operated by the Department of Treasury's Financial Management Services (FMS).
- As required by Federal law, Federal agencies submit delinquent debts to the Treasury Offset Program (TOP) for interception of eligible Federal and State payments.
- TOP compares a payee's taxpayer identification number (TIN) and name. If there is a match, the payee's account is intercepted in the amount and to extent authorized by Federal law.
- Pursuant to regulations governing TOP, all subdivisions or organizations sharing a single TIN are responsible for all debts associated with that TIN.



## TOP cont'd



- Before submitting a debt to TOP, a creditor agency must certify that the debt is valid, delinquent and legally enforceable and that the agency complied with all the due process pre-requisites prior to offset.
- When Treasury processes an offset, they will send out a Notice of Offset letter. This letter will have the following information:
  - Payment amount
  - Offset date
  - Offset amount
  - Type of debt being collected
  - Creditor agency contact information
  - Paying Agency



## ***TOP cont'd***

### ***How to Contact TOP***



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

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

- The caller's name, department and job title and verbal affirmation that the caller is an employee of the school authorized to access such information. The job title will need to indicate a need-to-know position, such as accountant, financial analyst, chief financial officer, etc.
- At least one of the following:
  1. the date of the payment
  2. the amount of the original payment
  3. the amount of the offset





## *TOP cont'd*

### *How to Contact TOP*



- TOP will not have any details about the debt that was referred. Schools should contact TOP to obtain the following information:
  - A listing of all offsets that have occurred for their school's TIN. To receive this report the school Controller needs to send Treasury written authorization requesting release of the information
  - Copies of offset notices or to find out where the notice was mailed
  - The VA debt number associated with a particular offset - this is the account number on the Notice of Offset letter from TOP (for school debts referred by DMC this number will end in 0075)
- Once the school identifies that DMC is the creditor agency for the debt and can obtain the debt account number (for school debts referred by DMC this account number will always end in 0075), DMC can then research the offset and provide information about the debt that was referred to TOP.



# Frequently Asked Questions



## *How do I Submit a Dispute or Inquiry to DMC?*



- Disputes and Inquiries should be submitted via email to [dmcedu.vbaspl@va.gov](mailto:dmcedu.vbaspl@va.gov). Please include the following information in your email:
  - The student's First Name, Last Name, and Middle Initial
  - The last four digits of the student's File Number or SSN
  - Your school's name and facility code
  - The debt amount you are disputing/inquiring about
  - If you are disputing the debt, a detailed explanation of why you believe the debt amount is incorrect or invalid. Include relevant supporting documentation if applicable. For example, if you sent in a check to the RPO prior to the DMC/Muskogee consolidation that you believe should have satisfied the debt and your records show the check was cashed, please include a copy of the front and back of the cashed check with your dispute.
- You can also fax dispute information to DMC, Attention: Correspondence Unit at 612-970-5782, however please be aware that the processing time for mail, fax, or phone inquiries will be longer.



## *What Happens When DMC Receives My Dispute?*



- We review your email to determine why you are disputing the debt and if DMC can answer your question and resolve your dispute. If DMC can answer your question, we provide a response to your email.
- If a review by the RPO is needed to answer your question or dispute, we will let you know that we have suspended collection action if applicable and forwarded your dispute/inquiry to the RPO for review.
- Once the RPO notifies us that their review is complete, we will contact you regarding their findings.
- Collection action is suspended on your account until the dispute is resolved, unless your account has already been referred to the Treasury Offset Program (TOP). In this case, your account is not recalled from TOP.
- DMC will acknowledge receipt of your dispute inquiry and will keep you apprised of any change in collection status.
- Responses from the RPO should be received within 30 days. If 30 days has passed and DMC has not received an answer to the dispute, we contact the RPO directly requesting status. Disputes are tracked by DMC on a recurring basis.



# What Happens After my Dispute has Been Answered?



- If the debt is not valid:
  - The debt is cleared
- If the debt is valid:
  - Collection action resumes, if appropriate:
    1. An email is sent from DMC with the decision (you may also receive a letter from the RPO detailing their findings).
    2. The next appropriate collection letter is sent – if the 3<sup>rd</sup> Notice of Indebtedness has already been sent, collection action is suspended for an additional 30 days to allow your school time to repay the debt before TOP referral.



## How Does the School Make a Payment to DMC?



1. You should not send any funds to DMC until your school receives a collection letter from DMC
2. If you did not receive a collection notice or letter from DMC or a letter from your education RPO referencing a debt, verify with your certifying official that the information regarding any change in enrollment or tuition and fee charges was sent to the Education RPO before you send payment
3. If you send payment without verifying that a debt exists and you do not include the tear off payment stub from the DMC letter, **application of your payment will be delayed**
4. The DMC payment stub from the bottom of our letter should always be included with your payment. This will expedite processing



## How Does the School Make a Payment to DMC? cont'd



ACH payments can be made on our Pay VA website:

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

The person making the payment will need some of the information listed on DMC's letter to ensure proper credit.

DMC's mailing address is:

DMC (389)

PO Box 11930

St. Paul, MN 55111-0930



## ***Can I Send One Check for Multiple Students?***



Yes, however, you should send the remittance stubs with your payment and a list with the file numbers and dollar amounts the check covers. You need to make sure that the check you send totals the amount of debts you want it applied to. If you send additional funds and DMC does not know what debt to apply them to, DMC may have to return the check to you for additional information.





# *What should I do if I have funds I want to return but there is no debt for my school?*



1. Review the reasons that debts are established for schools and verify that the information regarding any change in enrollment or tuition and fee charges was sent to the Education RPO.
2. If after reviewing the guidance sent to schools in January 2011 and the certification your school has submitted to VA, you see that the debt **will not** be assessed to the school (for example if the student reduced training but still attended the term) then your school should follow its internal guidelines for issuing a refund to the student.
3. If after reviewing the guidance sent to schools in January 2011 and the certification your school has submitted to VA, you see that the debt **will be** assessed to the school, please allow thirty days after the date you submitted your most recent certification to the RPO for processing. If a debt is not established, you can contact your RPO of jurisdiction directly to ask them to establish the debt.



## *Can I get information about or pay a debt assessed to a student?*



- For privacy reasons, DMC cannot provide your school with any details about a student debt. All information regarding the debt will be sent to the student.
- If the Debt Management Center receives a payment from a school that is **equal to or less than** the amount of a current outstanding tuition debt for a student, we will apply those funds to the student debt if the facility code of the school issuing the payment can be determined to be the same as the facility code of the student tuition debt, and one of two conditions is met:
  1. Information is included with the payment that it is intended to be applied to a student debt (such as the remittance stub from the bottom of the letter sent to the student).
  2. There is no current outstanding debt assessed to your school for this student.
- **PLEASE NOTE:** If the payment DMC receives is for more than the amount of the student debt, the payment will be forwarded to Muskogee for processing.



## *How do I Contact DMC Directly?*



E-mail inquiries may be directed to:

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

Otherwise, the toll free number to our call center is:

1-800-827-0648

1-612-970-5782 fax



# *What enhancements has DMC made to the collection process?*



- May 2012, Improved communication efforts between DMC and Schools
  - DMC created an unique email account for school debt inquiries/disputes
  - Response goal of 5 business days
  - Continuous training to DMC staff to improve quality
- April 2013, Centralized dispute process – DMC is single POC
  - DMC became the single point of contact for disputes in order to reduce confusion and duplication of effort. This also allows clear oversight in tracking outstanding disputes and ensures collection efforts are suspended during a timely dispute inquiry that requires additional review



## *What enhancements has DMC made to the collection process? cont'd*



- April 2013, DMC began processing TOP refunds for unapplied offsets:
  - Refunds and letters are sent to the School Certifying Official at the current address in the RPO's WEAMS database for the Facility Code where the debt was established. Refunds are not bundled with other payments.
  - The letter sent to the institution receiving the refund provides: Name of student, Last four of student's SSN, School Facility Code number, TOP trace number, Date of the Treasury offset letter, Amount of the Treasury offset, and Contact information for Treasury
  - Each amount is thoroughly researched to determine if the fee is due. If this is a duplicate offset, fees will be included in the payment, if appropriate (and temporarily)
  - Response time is under 10 business days from when DMC receives funds from Treasury
- August 2013, Automatic Current Debt List Mailing
  - Each month VA sends a current debt list to the address on file in WEAMS for each school facility code.
  - DMC can still generate a list of school debts by facility code at the request of schools



## *What enhancements has DMC made to the collection process? cont'd*



- Future
  - Continue to participate in School Association Conferences
    - a) Education
    - b) Improve VA policies and procedures
    - c) Establish dialogue and communications
    - d) Term dates on DMC's first collection letter



## ***What can I do if I have an outstanding issue that isn't getting resolved?***



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

Nicole Haselberger [nicole.haselberger@va.gov](mailto:nicole.haselberger@va.gov)

Jason Hoge [jason.hoge@va.gov](mailto:jason.hoge@va.gov)



# Questions?

