

SCHOOL DEBT FACT SHEET FOR ATLANTA RPO *March 2013*

This reference guide can be used to assist in navigating school debt issues:

- Determine why school debts are established (7 reasons for a school debt).
- Understand what agencies are tasked to establish and process school debts.
- Step-by-step set of options to help you resolve school debt issues.

Option 1 - Agree to Pay the Debt

Option 2 - The amount of the Debt is incorrect

Option 3 - School sent check to the RPO

NOTE: With the recent addition of the Treasury Offset Program (TOP) in debt collection procedures, schools that have failed to act or have been unsuccessful at mitigating their VA based school debts have found that the Treasury Offset Program has withheld other federal funds from being distributed to their school. This has caused both frustration and concerns from School Officials charged with ensuring that anticipated federal government payments to schools are received. A regimented timeline has been implemented by VA in order to clear debts.

**** It is imperative that the School Certifying Official share Debt letters with the Bursars Office****

Warning: After DMC has issued 3 Notices of Indebtedness, your debt is transferred to the Treasury Offset Program.

TREASURY OFFSET PROGRAM (TOP)

1-800-304-3107 – Customer Service

<http://fms.treas.gov/debt/top.html> - website

TOP notice shown below includes the SSN

Ex: 1212345780075

| Terminal Digit | Body of SSN | Payee No | Code for School Debt |
|----------------|-------------|----------|----------------------|
| ↓ | ↓ | ↓ | ↓ |
| 12 | 1234578 | 00 | 75 |

Student SSN: 123-45-7812

VA Regional Processing Office

www.gibill.va.gov -submit a question link

1-855-225-1159 Schools Only National Call Center

DEBT MANAGEMENT CENTER

dmcedu.vbaspl@va.gov - Schools only email address
dmc.ops@va.gov – Students and Schools email address
1-800-827-0648 – Schools and Students phone number

US Department of Veterans Affairs
Debt Management Center
PO Box 11930
St Paul MN 55111

GENERAL DEBT INFORMATION

REASONS FOR A SCHOOL DEBT

1. Student never attended the term
2. Student **completely** withdraws from all classes on or before the first day of term
3. School receives payment for the wrong student
4. School receives duplicate payment
5. School submits an amended certification that reduces tuition/fee amount and/or yellow ribbon amount
6. Student passed away before or during the term.
7. VA incorrectly processed the claim and paid too much to the school

FEDERAL AGENCIES ROLES AND RESPONSIBILITIES REGARDING SCHOOL DEBTS

1. Department of Veterans Affairs (VA) – Veterans Benefits Administration (VBA) – Regional Processing Office (RPO). *Processes school certifications, adjustments, and amendments of all approved educational facilities and initiates overpayment action if warranted. Assists Debt Management Center in clarifying and/or mitigating debt inquiries.*

First Over-Payment Letter: RPO sends informational copy of overpayment reason and debt amount to applicable schools. SCO's should provide copy of this letter to Bursar's Office.

2. Department of Veterans Affairs (VA) – Debt Management Center (DMC). *Receives overpayment amounts generated by any RPO on school debts. Sends three Notices of Indebtedness (NOIs) to schools regarding school debts. Takes action to clear debts or forward inactivity to the Treasury Offset Program (TOP).*

Notice 1: Sent three to five days after debt is established by RPO. Informs school of debt amount and addresses the payment options.

➤ *If you have not received the RPO letter, request it through RNW*

Notice 2: Sent to school 30 days after first notice sent for past due accounts. Informs school of impending actions if the debt is not addressed. Provides an additional 30 days for the school to clear the debt.

Notice 3: Sent to school 30 days after the second notice sent for all past due accounts. Gives school a final warning and allows for another 60 days to pay debt. Failure to clear debt after additional 60 days will result in debt amount being sent to the Treasury Offset Program (TOP).

3. US Department of the Treasury (DOT) – Financial Management Services (FMS) – Debt Management Services (DMS) – Treasury Offset Division (TOD) – Treasury Offset Program (TOP). *Processes delinquent payments to Federal Government Agencies. Provides payment vouchers to schools. Takes action to clear debts by offsetting future Federal Government designated funds to the school if the school fails to take action to pay debt and/or clear the debt through DMC.*

****The Treasury Offset Program does not issue notices that funds are offset.****

GENERAL DEBT INFORMATION

HOW TO PAY SCHOOL DEBTS THROUGH DEBT MANAGEMENT CENTER

1, Paying by mail: Send a check and include the payment tear-off stub you received from the Notice of Indebtedness letter (DMC letter). You may send one check to cover multiple payments as long as the tear-off stubs for each corresponding debt letter is included. Do not send a copy of the tear-off remittance stub. Send the original stub. Send payments to:

US Department of Veterans Affairs
Debt Management Center
PO BOX 11930
ST Paul MN 55111

2. Paying by Plastic Card or ACH Debit: Pay each debt separately at DMC's online payment site. Follow the directions found in the online site.

<https://www.pay.va.gov/>

HOW TO DETERMINE THE BALANCE OF YOUR SCHOOL'S DEBT

Contact DMC at:

DMC 'Schools Only' email address: dmcedu.vbaspl@va.gov
DMC – Phone: 800-827-0648

NOTE: DMC NEEDS THE ORIGINAL TEAR-OFF REMITTANCE STUB IN ORDER TO CLEAR THE DEBT

Due to the systems in place at DMC, schools should always make a copy of the Notice of Indebtedness for their records. DMC can quickly and efficiently process debt payments when you send in the original tear-off remittance stub along with your payment.

SCHOOL DEBTS OPTIONS

OPTION 1 – AGREE TO PAY THE DEBT:

You agree with the RPO Processing letter. There is a valid reason for the school debt and you agree with the amount.

1. Retain the informational letter received from the RPO. Wait for the Notice of Indebtedness from DMC.
2. Upon receiving the Notice of Indebtedness (NOI) from DMC, you send in the payment along with the Notice of Indebtedness (NOI) tear-off payment stub to DMC. (note: always keep copies of inquiries, notes, notices)

OPTION 2 – YOU DISAGREE WITH THE AMOUNT OF THE DEBT:

You received a letter from the RPO or a Notice of Indebtedness (NOI) from DMC. Do not dispute a debt until you have received the 1st letter from the RPO explaining why the debt was created.

1. Verify that the debt amount is accurate as stated on the NOI;
 - If the debt amount is verified accurate based on your school records, send payment along with the NOI tear-off pay stub to DMC to clear the debt.
2. If you do not agree with the amount of the debt on the NOI from Debt Management Center
 - Contact the Debt Management Center through the DMC Schools Only email address. Request that you receive an explanation of the debt or its amount. You can also contact DMC by phone.

DMC – ‘Schools Only’ email address: dmcedu.vbaspl@va.gov
DMC – Phone: 800-827-0648
 - Your e-mail to DMC should include specific reasons about why you disagree with the debt. Reference should be made to the RPO letter and any areas of disagreement with the letter or the amount of the debt. Be clear about why you disagree with the information in the RPO letter.
 - You should NOT send a RNW inquiry for the same issue that you’re disputing with DMC.
3. DMC will correspond with the RPO of jurisdiction and suspend collection until a response from the RPO is received.
 - The RPO will research your dispute and respond directly to you with detailed information, or advise you of further actions that should be taken by the school to clear the debt.
 - If the RPO finds that the debt is correct, the collection process will begin.

SCHOOL DEBTS OPTIONS

OPTION 3 – SCHOOL SENT MONEY TO RPO (2009 - 2011 terms).

You receive a NOI from DMC. (VA had informed you in 2009 and 2010 that overpayments should be sent to RPO.) You have proof that the RPO cashed the check.

1. Contact the Debt Management Center's "Schools Only: email, scan a copy of both sides of the check and other pertinent information and submit that information to DMC in order to clear the debt.

DMC 'Schools Only' email address: dmcedu.vbaspl@va.gov

DMC – Phone: 1-800-827-0648

3. Upon receiving your inquiry, DMC will verify that the payment was made and DMC will clear the debt, or advise you of further actions that should be taken by the school to clear the debt.

4. *If you returned the funds by ACH, provide the exact date that the funds were returned.*

RPO will clear debts.