

**Assistant Secretary for Management  
Action Item**

**Subject: Subject:** Approval of eight new and one revised policy chapters in accordance with the Financial Policy Improvement Initiative (FPPII).

<b>Vol.</b>	<b>Ch.</b>	<b>Title</b>
XII	1B	<i>Waiver of Debts</i>
XII	1E	<i>Treasury Offset Program and Treasury Cross-Servicing i</i>
XII	1G	<i>Referrals for Enforced Collection (Litigation) I</i>
XII	1H	<i>Suspension of Collection Action</i>
XII	1I	<i>Termination of Collection Action</i>
XII	1K	<i>Records, Reports &amp; Cost Analysis</i>
XII	4	<i>Employee Debts</i>
XII	7	<i>Vendor Debts</i>
V	10B	<i>Kitchen Appliances</i>

**Discussion:** The Financial Policy Steering Committee voted, approved, and recommended CFO approval of the following eight new and one revised policy chapters:

Volume XII, Chapter 1 B, *Waiver of Debts*, discusses how and when VA may waive benefit debts, erroneous payments of pay and allowances, as well as travel, transportation and relocation expense debts for employees. No authority exists to waive vendor debts.

Volume XII, Chapter 1E, *Treasury Offset Program and Treasury Cross-Servicing*, discusses how and when VA enters into cross-servicing agreements with Treasury for most delinquent debts on VA's behalf.

Volume XII, Chapter 1G, *Referrals for Enforced Collection (Litigation)*, discusses how and when VA may refer debts for enforced collection to the Regional Counsels or DOJ only when all collection actions have been exhausted and circumstances indicate that legally pursuing the debt will be beneficial either monetarily or is important to ensure compliance with VA's policies or programs.

Volume XII, Chapter 1H, *Suspension of Collection Action*, discusses how and when VA may suspend collection action on debts equal to or less than \$100,000, as specifically authorized by 31 U.S.C. 3711(a)(3).

Volume XII, Chapter 1I, *Termination of Collection Action*, discusses how and when VA may terminate collection action on and close out debts with principal amounts not exceeding \$100,000 excluding interest and other late payment charges, when conditions exist to allow this decision.

Volume XII, Chapter 1 K, *Records, Reports & Cost Analysis*, discusses how and when VA may maintain loan and accounts receivable records to identify debts and the debt collection activities. VA will collect and incorporate the required data into the Treasury Report on Receivables Due from the Public (TROR).

Volume XII, Chapter 4, *Employee Debts*, discusses how and when VA may take prompt and aggressive action, including effective follow-up, to collect, compromise, suspend, or close out employee indebtedness as appropriate to the type of debt and circumstances surrounding the debt.

