CHAPTER 6

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0601 OVERVIEW

Administrative controls are essential if the affairs of the Committee on Waivers and Compromises (the Committee) are to be effectively managed. Effective management dictates that a uniform statistical reporting system be employed in all offices where a Committee functions.

0602 POLICIES

060201 A Committee on Waivers and Compromises quarterly report will be prepared, and a signed copy will be forwarded to the Administrative Control Function and the station Director.

060202 The elapsed time required to complete the consideration of any case will be measured by counting the number of calendar days from the date the case is received by the Committee chairperson after referral from the Administrative Control Function until the date the completed decision is signed by the Committee members. An elapsed time report will also be prepared and forwarded to the Administrative Control Function, the station Director, and the Veterans Benefits Administration’s (VBA) Chief Financial Officer, within the Office of Resource Management (ORM) in Central Office.

060203 The chairperson will review the quality of Committee decisions in the quarterly report.

060204 The chairperson will conduct a training session at least once a year and periodically as needed.

0603 AUTHORITY AND REFERENCES

060301 5 U.S.C. 5584, Claims for Overpayment of Pay and Allowances

060302 38 U.S.C. 5302, Waiver of Recovery of Claims by the United States

060303 38 C.F.R. 1.955 – 1.970, Regional Office Committees on Waivers and Compromises

060304 38 C.F.R. 1.969, Revision of Waiver Decisions

060305 38 C.F.R. 19.29, Statement of the Case

0604 ROLES AND RESPONSIBILITIES

060401 The Assistant Secretary for Management/Chief Financial Officer (CFO), as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. 309, oversees all financial management activities relating to the Department’s programs and operations.
Specific responsibilities include the direction, management and provision of policy guidance and oversight of VA’s financial management personnel, activities and operations. The CFO establishes financial policy, systems and operating procedures for all VA financial entities and provides guidance on all aspects of financial management.

060402 Under Secretaries, Assistant Secretaries, Chief Financial Officers, Fiscal Officers, Chief Accountants and other key officials are responsible for ensuring compliance with the policies and procedures set forth in this chapter.

0605 PROCEDURES

060501 Control of Committee Actions

A. Administrative control of actions taken by the Committee will be accomplished by either of two means, Web-based or a local automated system. A new entry will be prepared for each case when it is submitted for a Committee decision, including cases previously considered but resubmitted (e.g., Notice of Disagreement). Entries will be filed alphabetically by the last name of the debtor, or by cases listed alphabetically by last name of the debtor, in the appropriate automated system. Posting will be done as follows:

1. Identification Number. Enter the number applicable to the program in which the debt arose, e.g., loan number in loan cases, claim number in pension cases, etc.

2. Date Received. Enter the date the case was received by the administrative control function.

3. Date to Chairperson. Enter the date the administrative control function referred a case to the chairperson of the Committee.

4. If an automated system is used, the administrative control function will ensure that an entry is made in the system designating the amount of the debt and the action requested.

5. Disposition. When action is complete (i.e., debtor is notified of Committee decision), enter disposition of the case by indicating whether granted or accepted, denied or rejected, breached career residency contract settled or other action (dropped or withdrawn) and day, month and year action was taken.

6. Name of Debtor. Enter the last name and first initial of the debtor.

7. Remarks. This section should be used to explain any deviation in or suspension of the computation of elapsed time, as reported to the administrative control function by the chairperson. For example, this section would be used to indicate when a hearing...
had been requested or when the claims folder was removed from the Committee's jurisdiction during consideration of the request or offer.

8. If an automated system is used, it will be programmed so that information can be retained for an appropriate length of time to enable the completion of necessary reviews and reports.

060502 Count of Work Units

Management and statistical reporting systems are designed to provide the Committee administrative control function with the means to administer Committee operations; to enable the chairperson to equally distribute assignments to individual members and alternates; to permit ready follow-up on individual assignments; and to provide a basis for quantitative evaluation of output of the individual members and alternates. Work count is based on the number of times an individual, a panel or the full Committee renders a decision with respect to waiver, compromise or settlement.

060503 Processing

Indebtedness cases referred for Committee consideration by the activity on VA Form 1042, "Referral of Indebtedness to Committee on Waivers and Compromises," or by a report of investigation in cases of erroneous payment of pay and/or allowances, will be processed by the Committee administrative control function in accordance with paragraph 060501 and forwarded to the chairperson with supporting documents. The report of investigation will include all elements required by VA Handbook 4800.3, paragraph 4(b)(2), before the case can be considered for waiver. The cases will be entered by the chairperson of the Committee into the local automated system. The reporting and other panel members will be appropriately identified (see paragraph 060504) by, or at the direction of, the chairperson. Upon completion of Committee action, the decision and supporting documents will be returned to the administrative control function, which will record the action taken and the date of such action and make an appropriate entry into the local automated system.

060504 Chairperson's Committee Assignments

A. The Committee chairperson will maintain a local automated system that will be used by the Committee chairperson for management and control to ensure equal distribution of work among members and the timely completion of assigned cases.

B. Procedure. Upon receipt of the case, the chairperson will record the debtor's last name and initials, the last three digits of the claim, insurance or loan number or other identifying information and the date of assignment. The letter "R" will be recorded under the name of the reporting member and the letter "X" under the name of other panel members. Ordinarily, the chairperson will strive for equal distribution of work among Committee members. The local automated system will be periodically reviewed and appropriate follow-up made when assigned cases are not completed in a timely manner.
As each completed case is returned through the Committee chairperson to the 
Committee administrative control function, the month, day and year of disposition will be 
entered into the automated system to show that Committee action has been completed 
and the time has elapsed.

C. Production Analysis. If an automated system is used, it will be programmed so that 
information can be retained for an appropriate length of time to enable completion of 
necessary reviews and reports.

060505 Time Spent on Committee Functions

Time spent by personnel on cases submitted to the Committee will be reported in the 
proper accountability segment. This will include time spent by personnel acting as 
Committee chairpersons, alternates and members and time devoted by clerical and 
stenographic personnel on Committee functions, including maintenance of 
administrative controls and statistical reporting. Other divisions report their own time 
segments separately to the Committee.

060506 Committee Report

Information from the Web-based or local automated system will provide input data for 
the Committee’s workload and statistical data. Reporting is on a current-quarter basis 
for periods ending in September, December, March and June. Instructions for 
completing the report are contained in the package for the Committee’s program.

060507 Lapsed Time

A. Committee Administrative Control Function.

1. Prior to submission of a case to the chairperson, the Committee administrative 
control function may chronicle or hold a waiver request for a period not to exceed 20 
calendar days after the receipt of such request by the administrative control function, in 
order to fully develop the case (i.e., obtain the claims folder/loan docket, financial status 
report and other pertinent documentation).

2. The minimum acceptable level of performance is for the administrative control 
function to develop and refer 90 percent of the cases within the 20 calendar days.

3. If the case cannot be fully developed within the 20-day period, the administrative 
control function will annotate the local automated system to indicate a delay beyond the 
20-day period and provide an explanation for such delay. It is important that the 
administrative control function date-stamp the waiver request immediately upon receipt, 
even if it has already been date-stamped upon receipt at the station, in order to verify 
any delay outside of the administrative control function.
4. A case, however, will not be retained beyond the 20-day period solely because the debtor failed to provide a financial status report (see chapter 4, paragraph 040501.B).

5. The administrative control function will immediately notify the chairperson of any hearing request, regardless of the stage of development of the case. The same function is also responsible for notifying the debtor and the Debt Management Center (DMC) within 10 calendar days of the date of a Committee decision. The DMC, not the Committee, is responsible for notifying all debtors under its jurisdiction when waivers are granted in full.

B. Committee. The elapsed time required to complete the consideration of any case (original request for waiver, notice of disagreement, reconsideration of a waiver decision or compromise offer) will be measured by counting the number of calendar days from the date the case is received by the Committee chairperson after referral from the administrative control function until the date the completed decision is signed by the Committee members. The elapsed time standards will be applied in all cases received within the quarter being reviewed.

The following are the percentages of cases to be completed within the timeframes specified:

1. Fifty (50) percent of all cases received during the quarter are to be completed within 30 calendar days of receipt.

2. Seventy-five (75) percent of all cases received during the quarter are to be completed within 60 calendar days of receipt.

3. Ninety-nine (99) percent of all cases received during the quarter are to be completed within 120 calendar days of receipt.

C. An original request for waiver, a notice of disagreement, a substantive appeal or a reconsideration of an original waiver request under authority of 38 C.F.R. 1.969 are all considered new actions before the Committee and are recorded as new entries. For example, the total elapsed time on an original request for waiver (or compromise offer) would run from the date the request is received in the administrative control function at the station of jurisdiction until the date of the Form Letter (FL) 4-326, FL 4-437 or notice to the DMC (or the date of notice of acceptance or rejection of the compromise offer).

D. A notice of disagreement would run from the date the notice is received in the administrative control function at the station until the date of the FL 1-25 (or the FL 1-28 if a Supplemental Statement of the Case is prepared). Total elapsed time on a substantive appeal would run from the date VA Form 1-9, Appeal to Board of Veterans Appeals (or equivalent in correspondence), is received by the administrative control function until the date of the FL 1-26. Although a chronicle is established under the Appeal Tracking System (ATS) for appeals (see M21-1, Pt. II, Ch. 7, all Committee
actions, including notices of disagreement, will meet the elapsed time standards set forth above.

E. Once the elapsed time begins to run on a case, it will continue to run until Committee action is completed, regardless of whether further development of the case is required. However, in accordance with chapter 4, paragraph 040501, if there is a formal dispute about the existence or amount of debt, or if a debtor alleges mitigating circumstances after a waiver request is received, the case will be referred to the station Adjudication Division or Loan Guaranty Division (whichever is appropriate) for resolution. Such a referral would be justification for removing the case from the Committee’s jurisdiction. Consequently, the date of referral would be the date that the elapsed time count stopped. If the case is referred back to the Committee administrative control function after the dispute is resolved, the case would be treated as a new waiver request and the elapsed time count would begin to run beginning on the date of receipt in the administrative control function. Whenever a case is referred to another station for a hearing, the station of original jurisdiction will remove the case from its control system as of the date of the referral. When the transcript is received, the new station of jurisdiction will enter the case into its automated system as if it were a new waiver request.

F. In a regional office Committee system, if a waiver request is received at a station other than the station where the Committee of jurisdiction is located (e.g., a waiver request sent to the claims folder station on a loan guaranty indebtedness), the station receiving the request will not enter it into its elapsed time count because it does not have jurisdiction over the case. Only the station where the Committee of jurisdiction is located will record the request into its elapsed time count.

Note: A written record of each case considered by the Committee will be maintained if the Committee is located at a station other than the one where the claims folder is permanently located. The record will be created in the name of the debtor and will contain a copy of the Committee decision and other information on which the decision was based, as well as copies of any correspondence to the debtor.

G. Quarterly Review. The chairperson is responsible for a written quarterly review of the elapsed time standard pertaining to the Committee’s work. The procedures for conducting the review are set forth in paragraph 060508. The report of the quarterly elapsed time review will contain the number of cases reviewed, the number and percentage of cases that met the standard, the number and percentage of cases that did not meet the standard and an explanation of why the standards were not met. A copy of the report, as well as the quarterly quality reviews (see paragraph 060509), will be submitted to the Committee administrative control function, the station Director and VACO’s ORM. The chairperson will immediately attempt to correct any problems within his/her jurisdiction that are the cause of a failure to meet the elapsed time standards. If the failure to meet the standards is the result of a problem not within the chairperson’s jurisdiction, he/she will prepare a memorandum to the division chief of the responsible activity to request an expeditious resolution.
H. DMC Cases. In DMC cases, after obtaining the claims folder and any other necessary documentation, the administrative control function at the regional office of jurisdiction will immediately forward any VA Form 1042, Referral of Indebtedness, received from the DMC to the local Committee on Waivers and Compromises.

060508 Selection Procedure for Work Units

The volume of work units varies among regional offices. Different size samples, depending on the quarterly work-unit volume, will be accommodated by varying the number of VA Forms 8424a or entries from the local automated system in relation to the total filed in the “completed” section of the Committee control card file or automated system. The number of work units to be reviewed each quarter for elapsed processing time for each office group is in the table below. In each instance, the selection will begin with the first card or entry filed and will include the last card or entry filed. (Where the minimum number of cases required for review cannot be reached on the initial selection, the process will be repeated on the remaining cards or entries until the minimum is reached.)

<table>
<thead>
<tr>
<th>Completed Units Each Quarter</th>
<th>Number to be Reviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>301 units up</td>
<td>Every 6th card or entry</td>
</tr>
<tr>
<td>201-300 units</td>
<td>Every 5th card or entry</td>
</tr>
<tr>
<td>101-200 units</td>
<td>Every 4th card or entry (minimum 30)</td>
</tr>
<tr>
<td>51-100 units</td>
<td>Every 3rd card or entry (minimum 25)</td>
</tr>
<tr>
<td>21-50 units</td>
<td>Every 2nd card or entry (minimum 20)</td>
</tr>
<tr>
<td>0-20 units</td>
<td>All cards or entries</td>
</tr>
</tbody>
</table>

As an alternative, the chairperson may use the timeliness reports that can be obtained from the automated control system.

060509 Quality Review

A. The chairperson will review the quality of Committee decisions in a quarterly written report, prepared in a format that uses the Quality Evaluation and Management Evaluation Standards for the Committee on Waivers and Compromises set forth in chapter 7.

1. The purpose of the written quarterly review is to determine deficiencies in the Committee’s decision-making function and also to provide a basis for comparison with deficiencies noted by Central Office on its last quality review.
2. Trend data in these quality review deficiencies, as well as deficiencies in elapsed processing time, will be examined to decide whether there is improvement, deterioration or consistency in such deficiencies.

B. The chairperson will select 12 cases for each quarterly review period (4 cases for each of the 3 months of the quarter). The cases selected will be as representative as possible of all types of debts considered for waiver or compromise (e.g., Veterans Health Administration (VHA) and VBA benefit debts, salary overpayments, etc.). Likewise, the Chairperson will select 12 cases that include decisions prepared by as many different Committee members as possible. The Chairperson will use chapter 7, paragraphs 070501.A.(1) through (10) as a checklist to analyze the required 12 cases per quarter. Most of these paragraphs have been incorporated into VA Form 20-8959, Committee on Waivers and Compromises-Review Worksheet, which may be used by the chairperson. However, the chairperson may choose to develop his or her own worksheet for reviewing the individual cases. Such a worksheet will contain the name of the debtor and the claim number and/or loan docket number, the type of debt (e.g., education, salary overpayment, etc.), the amount of the debt and the Committee decision (waiver granted, compromise rejected, etc.). The remainder of the review sheet should contain the chairperson's responses to the areas of inquiry under chapter 7, paragraphs 070501.A.(1) through (10). Most of these can be answered with a simple "yes" or "no," but the quarterly review itself will require a specific discussion of those areas where there was failure to meet the prescribed standard or procedure. A quick review of the 12 VA Forms 20-8959 or review sheets should enable the chairperson to immediately identify the Committee's strong points and weak areas.

C. In writing the quarterly report, the chairperson will fully discuss only those areas that do not comply with the standards set forth in the areas of inquiry in chapter 7. If the review indicates that the standards of an area of inquiry have been fully met or are not applicable, then the written report will state this without further discussion. For example, in reviewing the cases in terms of chapter 7, paragraph 070501.A.(3), titled "Decision," the chairperson finds that in some cases, the Committee failed to fully discuss the necessary second element and simply concluded that the collection of the debt would cause a detriment. Thus, the written report, under the section titled "Decision," would point out that some of the decisions failed to fully explain why collection would cause injury to the debtor. On the other hand, in reviewing cases under chapter 7, paragraph 070501.A.(7), titled "Statement of the Case," the chairperson might find that either all 12 cases met the applicable standards or did not result in a Notice of Disagreement. Thus, the written report would simply state under "Statement of the Case" that the standards were met or are not applicable. It is suggested that the chairperson might find this quarterly review much less burdensome if an informal review were conducted at the end of each month. The chairperson could select four cases at the end of each month, review them against the areas of inquiry, note where the cases failed to meet the standards and then compile these monthly notes into the quarterly written report.
D. The quarterly elapsed time reviews discussed in paragraphs 060507 and 060508 above will be used to respond to the standards set forth in chapter 7, paragraph 070501.A.(11), titled "Operations Controls." Again, in preparing the "Management" portion of the written annual report (chapter 7, paragraphs 070501.A.(11), the chairperson is only required to discuss situations where the standards set forth in the areas of inquiry have not been met.

E. The final quarterly written report will be signed by the chairperson of the Committee. A copy of the signed report, as well as the quarterly elapsed time report, will be forwarded to the administrative control function and the station Director.

F. The chairperson will conduct an informal training session at least once a year. The training session will be based on the chairperson's findings in his/her quarterly report as discussed above. In addition, the chairperson may use both chapter 7 and VBA Training Guide 20-98-1, Revised (October 9, 1998), Committee on Waivers and Compromises, as a general outline for conducting training sessions. The chairperson may conduct training sessions any time he/she determines them to be necessary. However, a training session is required as an introduction for new Committee members and when the chairperson wishes to discuss a particular problem of concern to some Committee members. The chairperson will also be available for individual counseling whenever the need arises. The chairperson may contact Central Office at any time concerning matters pertinent to Committee activity. A written record will be made of each training session. It will specify when the training occurred, the reason for the training session and what material was covered.

060510 Committee Follow-up Procedures

Each station's administrative control function will establish a follow-up system for controlling timeliness by an appropriate automated system. The administrative control function will be responsible for sending a follow-up notice to the chairperson in all cases where the administrative control function has not received notification of a Committee determination on a waiver request, or a compromise or settlement offer, within 30, 60 or 120 days of the date on which the request or offer was forwarded by the administrative control function to the chairperson. On the basis of the follow-up notices, the chairperson will determine the status of each case and the cause of delay and take whatever corrective actions are available to alleviate the delay. The chairperson will immediately report the reasons for the delay to the administrative control function, so that the local automated system can be properly annotated (see paragraphs 060501(7) and 060507.A.).

060511 Erroneous Payment of Pay or Allowances

A. Notification of Waiver Action. Written notification of the final action taken by the Committee on a claim of the United States for erroneous payment of pay or allowances considered for waiver will be furnished by the administrative control function at the
station responsible for preparation of the report of investigation and collection of the debt.

B. Written Record. A written record of each case considered for waiver will be maintained by the division administrative control function at each station that has a Committee. The record will consist of a report of investigation (see VA Handbook 4800.3, Paragraph 4(b)(2)), the Committee decision or recommendation and any other pertinent information.

060512 Central Office Review

There will be a continuing review of Committee operations by Central Office staff. A percentage of completed Committee cases will be called into Central Office on a regular basis for administrative and quality reviews and elapsed time study. Exceptions and guidelines will be furnished where indicated to ensure adequate controls, quality and timeliness.

0606 DEFINITIONS

060601 Administrative Control Function. The finance and fiscal operations, as well as any other activity designated with administrative control, at the station Committee on Waivers and Compromises.

060602 Chairperson. The individual who manages the work of the Committee.

060603 Committee. The particular decision-making body, which may be composed of a one-person panel (38 C.F.R. 1.955(d)) or a two- or three-person panel. The Committee may be part of a centralized system or a regional office Committee system.

060604 Compromise. Acceptance of less than the full amount of a debt in settlement and full satisfaction of the debt.

060605 Debt. A claim for money made by or owed to the Government, generated from VA activities. It includes overpayments (38 C.F.R. 1.962).

060606 Member. The individual who participates on the panel to review waiver requests and compromise offers. The individual has special competence and familiarity with one or more of the debt claim areas (i.e., compensation, pension, education, insurance, loan guaranty, etc.)

060607 Reporting Member. The individual who is designated by the chairperson to be the presiding officer over a panel.

060608 Waiver. VA’s decision to give up the right to collect a valid debt, including interest and other late payment charges, which falls under the applicable statutes (38 U.S.C. 5302 and 5584) and regulations.
0607 RESSIONS

This chapter rescinds MP-4, Part I, Chapter 8, Section F, Record of Committee Actions.

0608 QUESTIONS

Questions concerning these financial policies and procedures should be directed as shown below:

- VHA: VHA Accounting Policy (Outlook)
- VBA: VAVBAWAS/CO/FINREP (Outlook)
- All Others: OFP Accounting Policy (Outlook)