



# Department of Veterans Affairs

## **Financial Policy**

### **Volume XII**

#### **Debt Management**

### **Chapter 15**

## **Treasury Report on Receivables (TROR)**

**Approved:**

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### 1501 Overview

This chapter establishes the Department of Veterans Affairs’ (VA) financial policies for debt management reporting as required by 31 U.S.C. § 3719. The chapter incorporates guidance from Congress and the Department of the Treasury (Treasury) that requires Federal agencies to report their accounts receivables quarterly. This report is effectively known as the Treasury Report on Receivables and Debt Collection Activities (TROR). VA will provide required reports on debt collection actions by consolidating data reported from the Veterans Health Administration (VHA), Veterans Benefits Administration (VBA), National Cemetery Administration (NCA), Veterans Affairs Central Office (VACO), Financial Service Center (FSC) and staff offices into a consolidated report on receivables and upload the information quarterly to the Treasury website.

Key points covered in this chapter:

- VA will prepare and submit a report summarizing the status of loans and accounts receivables quarterly per 31 U.S.C. § 3719, and annually as part of the Agency Financial Report.
- The Debt Management Center (DMC) will prepare VA’s TROR and submit to Treasury by the required deadlines. The content of the TROR will include the combined receivables of all Administrations and Staff Offices; and
- VA must submit the required information to DMC timely to ensure the TROR is ready to be uploaded. Administration and Staff Offices are responsible for the validity of data submitted to DMC.

### 1502 Revisions

Section	Revision	Office	Reason for Change	Effective Date
All	New Chapter	OFPI (047G)	Provide policy on TROR requirements	February 2021

### 1503 Definitions

**Compromise** – Governed by 31 U.S.C. § 3711, a compromise is an offer and acceptance of a partial payment in settlement and full satisfaction of the offeror’s indebtedness as it exists at the time the offer is made. It is a final settlement, binding on the parties to the compromise, unless procured by fraud, misrepresentation of a material fact, or mutual mistake of fact.

**Currently Not Collectible (CNC)** – A classification of a debt after write-off whereupon cost-effective debt collection efforts should continue if an agency determines that continued collection efforts are likely to yield a return. In such cases, the written-off debt is not closed out but classified as CNC.

**Debt** – Money or property owed to VA.

**Delinquent** – Delinquency occurs when payment is not made by the due date specified in the initial billing notice.

**Treasury Report on Receivables and Debt Collection Activities (TROR)** – The TROR serves as a management report informing Federal decision-makers of the gross book value of the receivables owed to Federal agencies and the status of the Federal Government's debt portfolio. Refer to Treasury Reporting on Receivables for instructions.

**Waiver** – A decision that conditions exist which should result in cancellation, forgiveness, or non-recovery of a debt owed, including interest and other late payment charges assessed on such debts under the applicable statutes and implementing regulations 38 C.F.R. § 1.955 through 38 C.F.R. § 1.969 and 38 C.F.R. § 17.105.

**Write-Off** – An accounting action that results in reporting the debt as having no value on the agency's financial and management report. Write-off may occur before, concurrently with, or after the agency determines that collection action should be terminated. A write-off must be classified as either Currently Not Collectible (CNC) or as a close-out per OMB Circular No. A-129 guidance.

## **1504 Roles and Responsibilities**

**Debt Management Center (DMC)** is a franchise fund (fee-for-service) organization at VA, responsible for collections on certain debts and coordinating debt referral to the Department of the Treasury (Treasury). DMC offers a wide range of debt management services, including debt resolution activities (waivers, compromises, etc.). Additionally, DMC reviews, consolidates, and submits VA's consolidated TROR report to Treasury.

**Chief of the Local Finance Activity** is responsible for ensuring that compliance with the policies and appropriate procedures are followed for the administration of VA's debt collection activities. Any reference to the Chief of the Local Finance Activity also includes the: Director of Debt Management Center (DMC), Executive Director of Financial Service Center (FSC) where appropriate, as well as Chief Fiscal Officers in VA Medical Centers, Chief Finance Officers in Regional Offices, and Chief Fiscal Officers in Consolidated Patient Account Centers (CPAC).

**Veterans Benefits Administration (VBA), Veterans Health Administration (VHA), National Cemetery Administration (NCA), and Office of Finance (OF)** complete the TROR reports for the areas for which they are responsible. They are responsible for ensuring the validity of the information submitted.

## **1505 Policies**

### **150501 Treasury Reporting Requirements**

VA will prepare and submit a report summarizing the status of accounts receivables quarterly per 31 U.S.C. § 3719, and annually as part of the Agency Financial Report.

- A. The TROR is a combined accounting/management information report on the status of receivables and delinquent debts owed to VA.
- B. The TROR and the instructions for preparing the TROR are located on the Department of the Treasury's website at Treasury.gov.
- C. VA will enter/upload information into Treasury's Debt Management Information System (DMIS).
- D. Treasury is required to provide data from the TROR to Congress, OMB, Agency Chief Financial Officers, the Federal Credit Policy Working Group, other officials and representatives of Federal and state organizations, private sector organizations, and the public (31 U.S.C. § 3719 (b)).

### **150502 Treasury Reporting Content**

- A. Per 31 U.S.C. § 3719, the report on debt collection activities shall contain information on:
  - total amount of loans and accounts receivables owed to the agency and when amounts owed to the agency are due to be repaid;
  - total amount of accounts receivables and number of claims at least 30 days past due;
  - total amount written off as uncollectible and the total amount allowed for uncollectible loans and accounts receivables;
  - rate of interest charged for overdue debts and the amount of interest charged and collected on debts;
  - total number of claims and the total amount collected; and
  - number and total amount of claims referred to the Attorney General for settlement and the number and total amount of claims the Attorney General settled.
- B. VA will report the information required above for each program or activity carried out and include any other information Treasury deems necessary to ensure VA is acting aggressively to collect the claims of the agency. Treasury will analyze the reports received by Federal agencies and report annually to Congress on the management of debt collection activities.
- C. The VA TROR incorporates the Treasury reporting contents into three parts:

1. Status of Receivables contains outstanding receivable balances, current fiscal year activities, aging and classification of delinquent debts, and classification of rescheduled debts.
  2. Debt Management Tool and Technique Performance Data: contains management information on the status of delinquent debt (including currently not collectible (CNC) debt) by collection management tools and techniques (internal offset and Treasury Offset Program), age, eligibility for referrals, collections, and debt disposition.
  3. Footnotes: When footnotes are either required in the instructions or necessary for clarification, prepare and submit them. Footnotes are required whenever agencies' criterion is inconsistent with Treasury's definition of data requirements. Footnotes are required to explain agency exceptions to the TROR data requirements.
- D. The TROR information will be reconciled to VA's trial balances.
- E. All appropriations with receivable balances greater than zero, or appropriations having receivables activity in the quarter, must be reported on the TROR.

### **150503 Treasury Reporting Timeliness and Responsibility**

- A. Treasury requires VA to report and upload its documents quarterly.
- B. VA will report its TROR reports to Treasury by the end of the month following the close of each of the first three quarters. The fourth quarter, which is the year-end report, is due in mid-November. The specific dates are listed in Treasury's Financial Manual Volume I, Part 2, Chapter 4100 Supplement on TROR, and Debt Collection Activities.
- C. VA will report its data on receivables to DMC as described below by close of business 17 days after the end of each of the first three quarters and by close of business 20 days after the end of the fourth quarter.
1. Veterans Benefits Administration, National Cemetery Administration, Revolving Fund, and the Veterans Canteen Service will complete and submit their reports to DMC per the schedule above.
  2. OF will complete the TROR for VACO staff offices and submit their reports to DMC per the schedule above.

3. DMC will provide the reports on Medical Care Collections Fund (MCCF) first-party receivables (including pharmacy copayments and long-term care) and third-party receivables and all other funds on behalf of VHA Office of Community Care.
- D. DMC is responsible for receiving, compiling, and preparing VA TROR's, as well as maintaining the TROR reports in accordance with National Archives and Records Administration requirements.

### **1506 Authorities and References**

[5 U.S.C. § 5584, Claims for overpayment of pay and allowances, and travel, transportation and relocation expenses and allowances](#)

[31 U.S.C. § 3711, Compromises](#)

[31 U.S.C. § 3719, Reports on Debt Collection Activities](#)

[38 C.F.R. §§ 1.950-1.970, Referrals to GAO, Department of Justice, or IRS](#)

[38 C.F.R. § 17.105, Waivers](#)

[38 U.S.C. § 5302, Waiver of recovery of claims by the United States](#)

[Debt Management Information System \(DMIS\)](#)

[OMB Circular No. A-129 Policies for Federal Credit Programs and Non-Tax Receivables](#)

[Treasury.gov instructions for the TROR](#)

[Treasury Reporting on Receivables](#)

### **1507 Rescissions**

VA Handbook 4800.20, Records, Reports and Accounting

VA Financial Policy Volume XII, Chapter 1K – Records, Reports and Cost Analysis

### **1508 Questions**

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

VHA            VHA CFO Accounting Policy (10A3A) (Outlook)

VBA	VAVBAWAS/CO/FINREP (Outlook)
NCA	NCA Financial Policy Group
All Others	OFP Accounting Policy (Outlook)