



VA Debt Management Center (DMC)

School Certifying Official Training

Updated June 1, 2023

Learning Objectives

Upon completion of this module, you should be able to:



1. Provide an overview of DMC
2. Assess why/how debts are established
3. Define collection processes
4. List options to resolve a debt
5. Define risks of non-payment
6. Formulate responses to debt questions

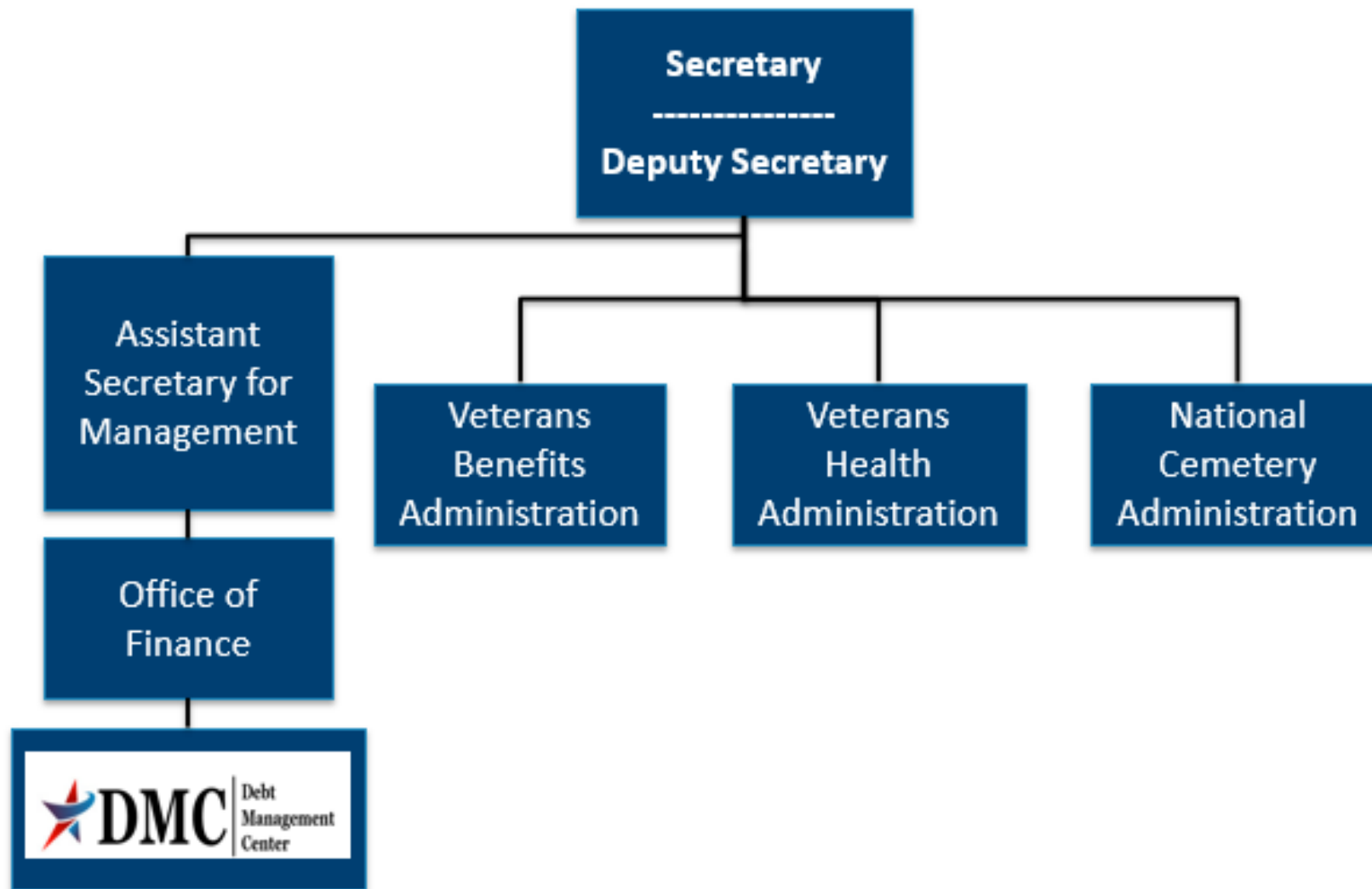
DMC Overview

- 1 DMC is a franchise fund aligned with VA's Office of Finance (OF) within the Office of Management (OM)
- 2 DMC's staff of approximately 320 employees works to service VA benefit debts, counsel Veterans on options and outcomes, and offer resolutions for each unique situation.
- 3 DMC provides accounts receivable services to VBA, VHA, NCA
- 4 The DMC collects approximately \$1.8 billion annually

DMC Mission:

Provide distinctive, high quality accounts receivable services through a compassionate and value-added approach, empowering our stakeholders to focus on core missions.

Organization Chart



KNOWLEDGE CHECK

DMC provides accounts receivable services to

- a. VBA**
- b. VHA**
- c. NCA**
- d. All the above**

KNOWLEDGE CHECK

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Debt Establishment



SCO Certifies Student

- Communicates with student about certification process

RPO Processes Certifications

- Evaluates entitlement
- Issues payments and establishes debts
- Sends a letter when payments are issued or debt created

DMC Collects Debts

- Sends collection letters for debts
- Processes collection actions

Debt Establishment



Education and Training Institutions

Schools are financially responsible for benefits paid under the Post 9/11 GI Bill:

1. Tuition and fees
2. Yellow Ribbon Program

Students

Students will receive VA debts for:

1. Books and Supplies
2. Housing Stipend/Kicker

Debt Establishment Reasons

- Student never attended any classes (All tuition/fees/YR)

- Student completely withdrew on or before first day of term (All tuition/fees/YR)

- Payment for wrong student, duplicate payment (Erroneous amount)

- Payment above certified amount due to VA data entry error (Erroneous amount)

- Reporting reduced tuition and fees and/or Yellow Ribbon amounts (Amount of \$ change if nothing else changed)

- Student dropped/added a course with no net change in training time caused change to tuition, fees, and/or Yellow Ribbon amount (Amount of \$ change)

Debt Establishment Reasons



- Student withdrew after the first day of the term
- Student reduced hours before or during term
- School reported a reduction in tuition, fees, and/or Yellow Ribbon due to student reducing or terminating training

Debt Establishment Reasons



Reductions and terminations

- During a school's drop period will be effective the end of the month during which the reduction occurred or the actual date of withdrawal.
- For which punitive grades are assigned will be effective the end of the month during which the reduction occurred or the actual date of withdrawal.
- After the drop period for which non-punitive grades are assigned will be effective the first day of the term unless:
 - The 6-credit hour exclusion is granted
 - Mitigating circumstances (MIT-C) exist

Preventing School Debts



- Communication with students about the impact of the following:
 - Reducing training
 - Receiving non-punitive grades
 - Changing their class schedule

Preventing School Debts



- ❑ When non-punitive grades occur:
 - School can include mitigating circumstances on certification (if provided)
 - Student can submit mitigating circumstances to the Regional Processing Office to potentially reduce the amount of debt created

- ❑ Certify \$0 tuition and fees before the term begins (allowing student to receive books and housing on time) and then certifying the Tuition/Fees/Yellow Ribbon amount at a later date

Debt Relief Options- Students



If Veterans/students are experiencing financial hardship, DMC has relief options available:

- **Extending repayment plans**
- **Requesting debt forgiveness through the waiver process**
- **Submitting a compromise offer to settle the debt for less than the full amount**
- **Requesting a temporary hardship suspension**

VA Debt Portal for Veterans



- ❑ Debt Portal: <https://www.va.gov/manage-va-debt/>
 - Veterans can log in to view balances
 - FAQ's
 - Email notifications to Veterans
 - Online VA Form 5655 Financial Status Report (FSR)
 - More enhancements to come

DMC School Official Debt Line

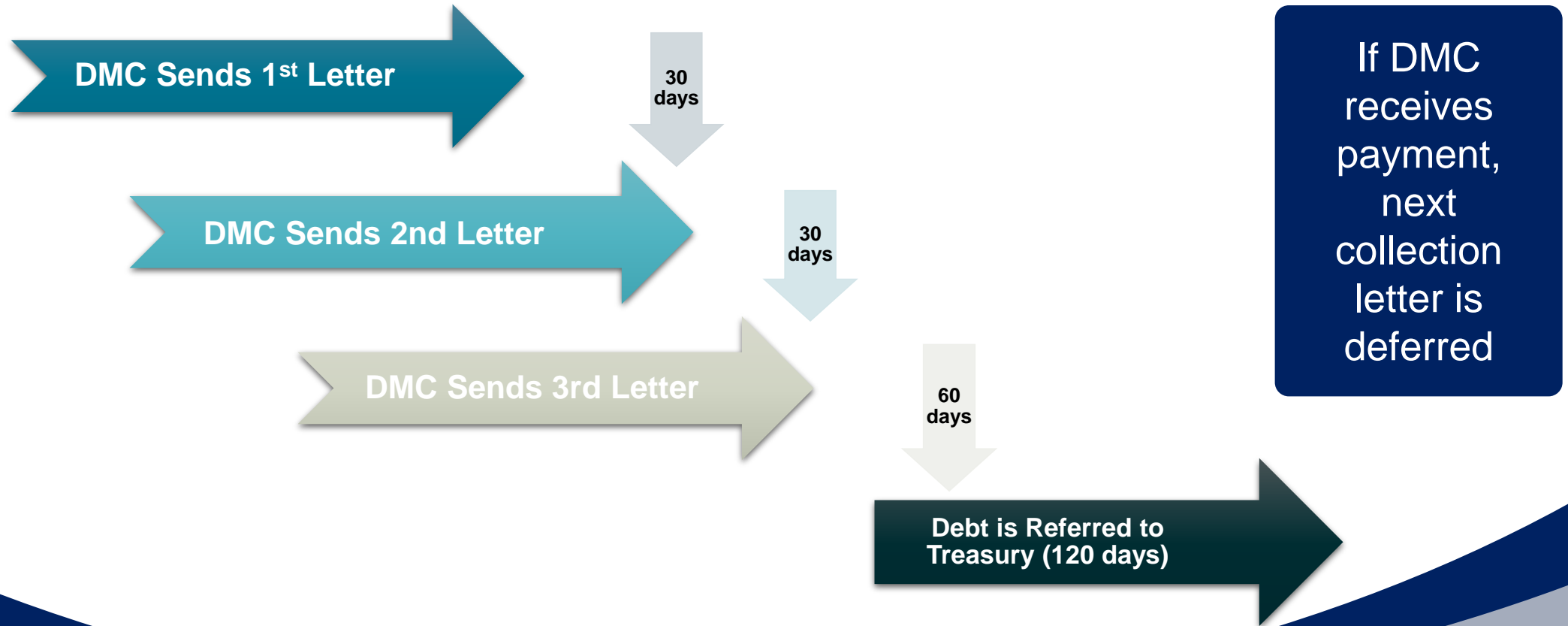
- ☐ 833-720-2574 (international 612-843-6508)
- ☐ Use for questions on Post 9/11 GI Bill Tuition and Fees debts such as:
 - Term dates for a debt
 - Confirm a payment was received
 - Confirm an outstanding balance
 - Assistance with an online payment

Disputes regarding the existence or amount of the debt should be sent via <https://ask.va.gov/> (Select category: “Veterans Affairs-Debt” and topic: “A School Official”)

School Debt Collection Process



DMC sends Notice of Indebtedness letters, monitors accounts, and advises debtor of any delinquency, including the requirement to refer their account to Treasury



KNOWLEDGE CHECK

When does DMC refer a debt to the Department of Treasury?

- a. 30 days after the third letter is sent**
- b. 60 days after the third letter is sent**
- c. 90 days after the third letter is sent**
- d. 120 days after the third letter is sent**

KNOWLEDGE CHECK

When does DMC refer a debt to the Department of Treasury?

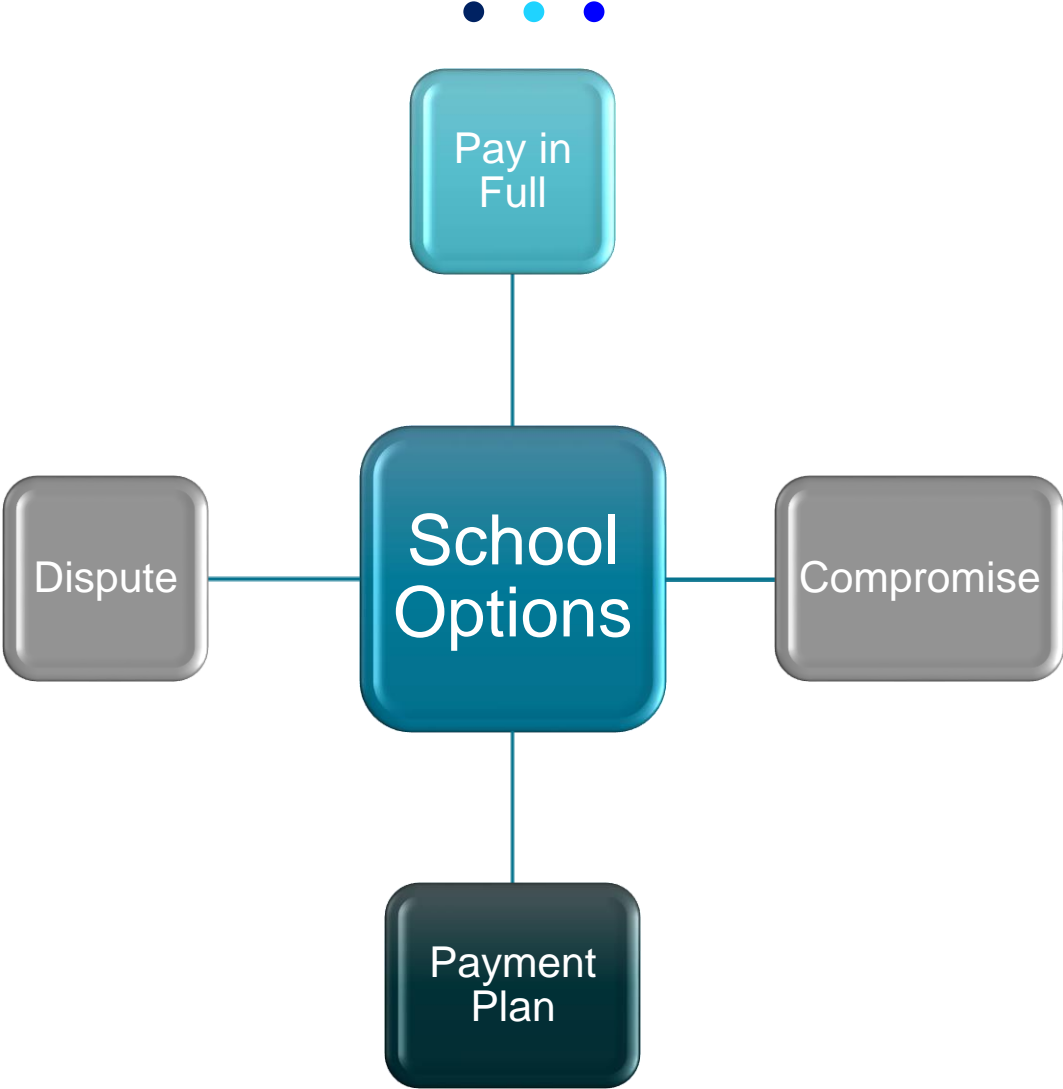
a. 30 days after the third letter is sent

b. **60 days after the third letter is sent**

a. 90 days after the third letter is sent

b. 120 days after the third letter is sent

School Options



Ask VA (AVA) for School Inquiries



- All school inquiries and disputes should be submitted using AVA (<https://ask.va.gov/>)
- Select “Veterans Affairs- Debt” as the category and “A School Official” as the topic
- Under “My inquiry is” select “On behalf of a Veteran”- this enables you to select School Certifying Official or Other (Business) under relationship to Veteran
- You must log in to receive a response that receives specific debt information

Create Account/Sign in to start your message

Ask VA (AVA) for School Inquiries



Tell us about your question

Which category best describes your question? *

(*Required)*

Veteran Affairs - Debt

Veterans Affairs- Debt

Which topic best describes your question? * (*Required)

A School Official

A School Official

Tell us the reason you're contacting us? (*Required)

Question

Question

My inquiry is: (*Required)

On behalf of a Veteran

On behalf of a Veteran

Are you currently an employee of the VA? *

No Yes

Your relationship to the Veteran (*Required)

School Certifying Official

School Certifying Official

Requesting a debt list in Ask VA (AVA)



- DMC can provide debt lists by facility code upon request
- Since the debt list is not associated with one specific Veteran, you can choose **general question** to submit your debt list by facility code request (you must still be signed in to AVA)

My inquiry is: (*Required)

A general question

Tips for School Inquiries



When submitting disputes and inquiries via AVA, please include:

- One inquiry per student
- Identifying information for the student
- School name and facility code
- Debt amount
- Supporting details (front and back of cashed check, when was updated certification sent, etc.)

How to Pay a Debt



- Pay by check: mail the check, payment coupon(s) and/or letter to:
VA Debt Management Center
Bishop Henry Whipple Federal Building
P.O. Box 11930
St. Paul, MN 55111-0930
- Pay online: www.pay.va.gov
- Check SCO handbook for other options



KNOWLEDGE CHECK

Which option(s) should schools select to contact DMC in AVA?

- a. Veterans Affairs- Debt**
- b. A School Official**
- c. Education**
- d. A and B**

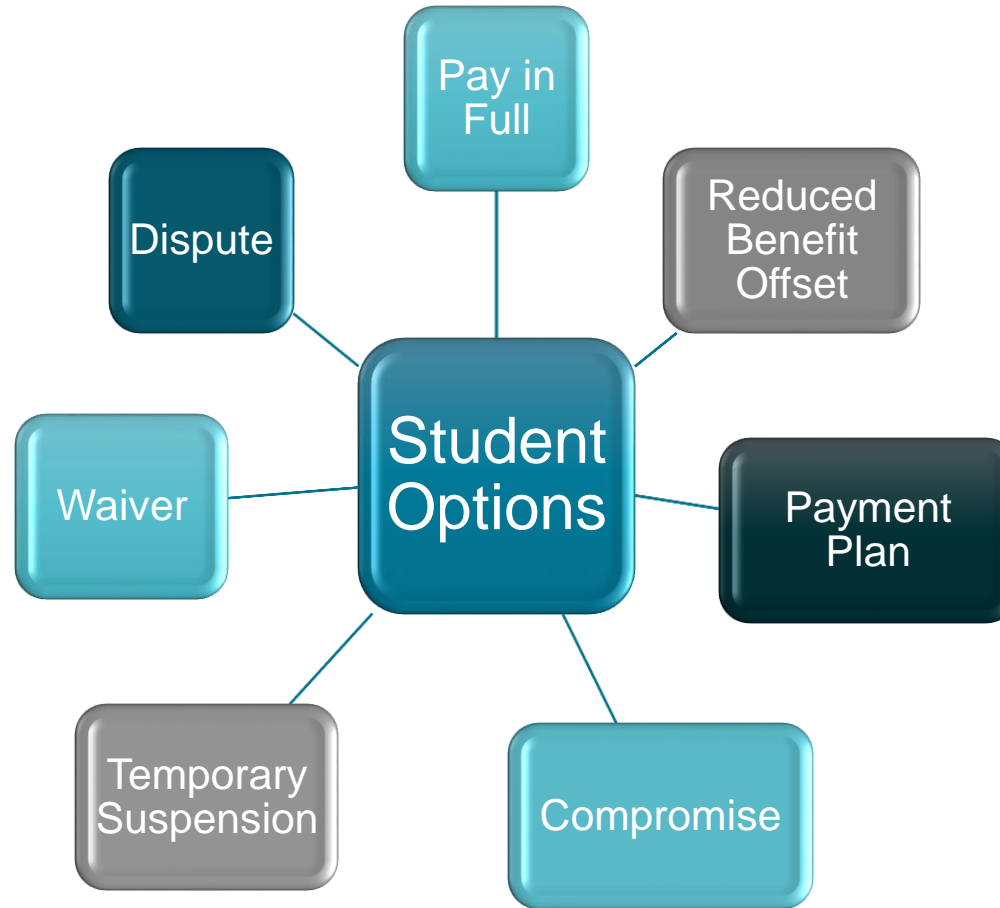
KNOWLEDGE CHECK

Which option(s) should schools select to contact DMC in AVA?

- a. Veterans Affairs- Debt**
- b. A School Official**
- c. Education**
- d. A and B**



Student Options



KNOWLEDGE CHECK

What actions can a student take if he or she incurs a debt

- a. Pay in full**
- b. Request a waiver of the debt**
- c. Compromise**
- d. Set up a payment plan**
- e. All of the above**

KNOWLEDGE CHECK

What actions can a student take if he or she incurs a debt

- a. Pay in full
- b. Request a waiver of the debt
- c. Compromise
- d. Set up a payment plan
- e. **All the above**

Federal Debt Collection Laws



- **The Debt Collection Act of 1982**
 - Authority for collection by administrative offset
- **The Debt Collection Improvement Act (DCIA) of 1996**
 - Agencies required to refer delinquent non-tax debts to the Department of Treasury at 180 days
- **Digital Accountability and Transparency Act (DATA) of 2014**
 - Changed referral requirement for delinquent non-tax debts from 180 days to 120 days

Treasury Overview Debt Collection Tools



Treasury has two main programs for student and school debt collection

Treasury Offset Program (TOP)

- Federal grants
- Social Security
- Civilian pay
- Military retirement

Cross-Servicing (CS)

- Private Collections Agencies (PCA)
- Telephone collections
- Administrative Wage Garnishment (AWG)

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. The job title will need to indicate a need-to-know position
- At least one of the following:
 - date of the payment
 - amount of the original payment
 - amount of the offset
- Make sure to obtain the Debt Account ID related to the offset from Treasury (typically ends in 0075 for school tuition) **before** contacting DMC about an offset

KNOWLEDGE CHECK

What are the two main programs used by the Department of Treasury to collect school and student debts?

- a. TOP and CRA**
- b. CAIVRS and DMC**
- c. TOP and CS**
- d. None of the above**

KNOWLEDGE CHECK

What are the two main programs used by the Department of Treasury to collect school and student debts?

- a. TOP and CRA
- b. CAIVRS and DMC
- c. **TOP and CS**
- d. None of the above

Become a Debt Superstar (Contact DMC)



<https://www.va.gov/manage-va-debt/>

Veteran Debt Portal

<https://ask.va.gov>

Online inquiry system
(subject: Veterans Affairs- Debt, topic: A School Official)

833-720-2574

DMC School Official Debt Line

800-827-0648

DMC Toll Free Line - Students



Issue Not Getting Resolved?



- Julie Lawrence – Chief Education and External Relations
Julie.Lawrence@va.gov
- Nicole Haselberger – Assistant Chief Education and External Relations
Nicole.Haselberger@va.gov
- Tami Dorle – Supervisory Financial Administrative Specialist
Tamara.Dorle@va.gov
- Gary Greenwood – Management Analyst
Gary.Greenwood2@va.gov



Summary

You should now be able to:



1. Provide an overview of DMC
2. Assess why/how debts are established
3. Define the collection processes
4. List options to resolve a debt
5. Define risks of non-payment
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How to Self-Certify

1. Click on the URL or copy and paste it in your web browser.
<https://vba-tpss.vbatraining.org/assess/trkSignIn?refid=XSCO>
2. Enter your email address and eight (8) digit facility code and click Next
(If you do not have a user profile, click New User Account and follow the steps to set up your profile.)
3. Scroll down and click the Conference/Workshop/Virtual Training tab
4. Select the applicable training session from the list of topics that appears on the right side of the screen by clicking Begin
5. To enter Conference/Workshop/Virtual Training Title: Click the dropdown arrow and select SCO Virtual Training Session and click Submit
6. Enter the start date and the end date
7. Enter your Facility Name, City and State (Main Campus) and click Submit
8. Certify your attendance by clicking Agree and then submit.
9. Print your training certificate and keep for your records

DMC Presentation Survey



DMC values your time and feedback on our presentation. We would appreciate it if you're able to complete the survey below.

<https://www.surveymonkey.com/r/DMCSCO>

