

Welcome!



Treasury Report On Receivables and Debt Collection Activity

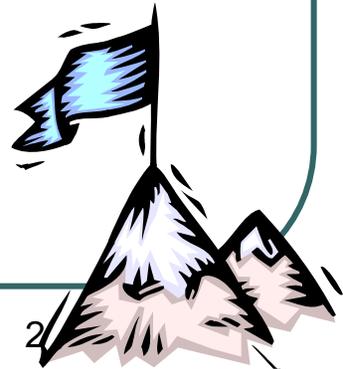
A Learning Forum





What is The TROR?

- A management report, not an accounting report
- Treasury's only comprehensive means for periodically collecting data on the status and condition of Federal non-tax debt
- Helps *agencies* manage their compliance with the Debt Collection Improvement Act (DCIA)



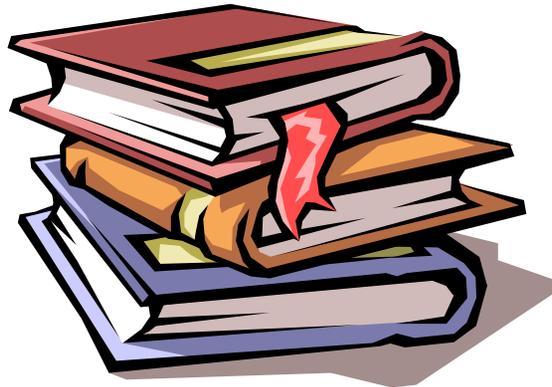
What is The TROR? (Continued)

- Helps Treasury and others monitor and report on agency's performance
- Helps *Treasury* know the extent of the debt collection problem and what agencies need to do to fix their problems
- Information shared with Congress, OMB, and GAO, for agency performance monitoring. Disseminated to CFOs, other Federal and state officials





TROR Terminology



Terminology

- Termination of collection – a decision to *cease active collection*
- Suspension of collection – a decision to *temporarily cease active collection*

Terminology

- Active collection – debt is being collected using all appropriate debt collection remedies
- Passive collection – debt is no longer being actively collected, but may remain secured by a judgment lien, in TOP, scheduled for future sale, referred to Cross-Servicing or reported to a credit bureau



Terminology

- Write-off – accounting action that results in reporting the debt receivable as having no value on the agency's financial and management reports

Terminology

- Currently Not Collectible – debt classification after write-off used when agency intends to continue cost effective debt collection action
- Close-out – debt classification after write-off when agency does *not* intend to continue debt collection action

Terminology

- Cancellation (or Discharge) of indebtedness – reporting a debt to the Internal Revenue Service on a form 1099-C following an “identifiable event”
 - Examples of “identifiable events” include compromise, discharge in bankruptcy, and termination of collection action

Write-off

- After write-off debt must be classified as either:
 - Currently Not Collectible (CNC) or
 - Close-out

OMB's Circular A-129:

<http://www.whitehouse.gov/omb/circulars/a129/a129rev.html>

Termination of Collection, Write-Off, Use of Currently Not Collectible (CNC), and Close-Out.

“Generally, write-off is mandatory for delinquent debt older than two years unless documented and justified to OMB in consultation with Treasury. Once the debt is written-off, the agency must either classify the debt as currently not collectible (CNC) or close-out the debt...”

REFERENCES:

Statutory

31 U.S.C. § 3711; 26 C.F.R Part 1. 6050P-O, 26 C.F.R Part 1. 6050P-1

Regulatory

31 C.F.R. Part 903 Federal Claims Collection Standards, 26 C.F.R. Part 1.6050P-1

Guidance

FCPWG Final Report on Write-off Policy, Dated 12/15/98, Treasury/FMS "Managing Federal Receivables"



Write-off – Close Out

- Must take all appropriate steps to collect a debt prior to close-out including, as applicable, referral to Treasury for TOP and cross-servicing
- Must determine if closed-out debt must be reported to the IRS on form 1099-C



TROR Training Forum Instructors

- **Lead TROR Administrator: Steve Jacobs – Birmingham Office - DMIS Helpdesk**
 - E-mail: Steve.Jacobs@fms.treas.gov
 - Phone Number: (205) 912-6205
- **Lead Trainer: Terrence Prince – Manager, DMS - AASD**
 - E-mail: Terrence.Prince@fms.treas.gov
 - Phone Number: (202) 874-9051





Treasury Reports On Receivables and Debt Collection Activities

Instruction and Overview



UNITED STATES
DEPARTMENT OF
THE TREASURY



Part I, Section A – Receivables and Collections

Part I - Status of Receivables		
	Number	Dollars
Section A Receivables and Collections		
(1) Beginning FY Balance		
(2) New Receivables (+)		
(3) Accruals (+)		
(4) Collections on Receivables (-)		
(A) At Agency (-)		
(B) At Third Party (-)		
(C) Asset Sales (-)		
(D) Collections by Treasury through Offset and Cross-Servicing (-)		
(E) Collections by Sale After Foreclosure (-)		
(F) Collections by Department of Justice (-)		
(G) Other - must footnote (-)		
(5) Adjustments (+ or -)		
(A) Reclassified/Adjusted Amounts (+ or -)		
(B) Adjustments Due to Sale of Assets (+ or -)		
(C) Consolidations (+ or -)		
(D) Foreclosure Adjustments (+ or -)		
(E) Written-Off Debts Reinstated for Collections (+)		
(6) Amounts Written Off (-)		
(A) Currently Not Collectible (-)		
(B) Written Off and Closed Out (-)		
(7) Ending Balance		

Part I, Section B – Additional Receivables Information

Part I - Status of Receivables		
	Number	Dollars
Section B Additional Receivables Data (Information Only)		
(1) Subsets of Ending Balance		
(A) Foreign/Sovereign Government (+)		
(B) State and Local Government (+)		
(C) Rescheduled Debt - Delinquent (+)		
(D) Rescheduled Debt - Non-Delinquent (+)		
(E) Interest & Late Charges (+)		

Part I, Section C - Delinquent Debt (Aging Schedule)

Part I - Status of Receivables		
	Number	Dollars
Section C Delinquent Debt (Excluding CNC Debts)		
(1) Delinquencies by Age		
(A) 1-90 Days (+)		
(B) 91-180 Days (+)		
(C) 181-365 Days (+)		
(D) 1-2 Years (+)		
(E) 2-6 Years (+)		
(F) 6-10 Years (+)		
(G) Over 10 Years (+)		
(H) Total Delinquencies by Age		
(2) Delinquencies by Category		
(A) Commercial (+)		
(B) Consumer (+)		
(C) Foreign/Sovereign Government (+)		
(D) State and Local Government (+)		
(E) Total Delinquencies by Category		



Part II, Section A - Delinquent Debt 180 Days or Less

Part II - Debt Management Tool and Technique Performance Data		
	Number	Dollars
Section A Delinquent Debt 180 Days or Less		
(1) Delinquencies 1-180 Days		
(A) In Bankruptcy (+)		
(B) In Forbearance or In Formal Appeals Process (+)		
(C) In Foreclosure (+)		
(D) At Private Collection Agencies (+)		
(E) In Litigation (At DOJ or Agency Counsel) (+)		
(F) In the Process of Internal Offset (+)		
(G) In Wage Garnishment (+)		
(H) At Treasury for Cross-Servicing (+)		
(I) At Treasury for Offset (+)		
(J) At Agency (+)		
(K) Other - must footnote (+)		
(L) Total Delinquencies 1-180 Days		



Part II, Section B-Line Item (1) - Debt Eligible for Referral to Treasury For Collection

Part II - Debt Management Tool and Technique Performance Data		
	Number	Dollars
Section B Delinquent Debt (Over 180 Days Delinquent) Eligible for Referral to Treasury for Offset and Cross-Servicing		
(1) Debt Eligible for Referral to Treasury for Collection		
(A) Delinquent Debt Over 180 Days (+)		
(B) Currently Not Collectible Debts (+)		
(C) Total Delinquent Debt Over 180 Days and CNC Debts		
Debts Ineligible for Treasury Offset Program (TOP) and Cross-Servicing (lines D through G)		
(D) In Bankruptcy (-)		
(E) In Forbearance or Formal Appeals Process (including Litigation) (-)		
(F) In Foreclosure (-)		
(G) Other - <u>must footnote</u> (+ or -)		
(H) Balance of Debt Eligible for Referral to Treasury for Collection		



Part II, Section B- Line Item (2) Debt Eligible for Referral to Treasury Offset Program

Part II - Debt Management Tool and Technique Performance Data		
	Number	Dollars
Section B Delinquent Debt (Over 180 Days Delinquent) Eligible for Referral to Treasury for Offset and Cross-Servicing		
(2) Debt Eligible for Referral to Treasury Offset Program		
(A) Debt Eligible for Referral to Treasury for Collection (from 1H)		
(B) Foreign/Sovereign Debt (-)		
(C) Debt in Litigation for Enforced Collection (-)		
(D) Other - <u>must footnote</u> (+ or -)		
(E) Debt Required to be Referred to Treasury Offset Program by Agency		
(F) Debt Referred to Treasury Offset Program (-)		
(G) Debt Referred to Treasury Offset Program through Cross-Servicing (-)		
(H) Balance Remaining to be Referred		



Part II, Section B- Line Item (3) Debt Eligible for Referral to Treasury Cross Servicing

Part II - Debt Management Tool and Technique Performance Data		
	Number	Dollars
Section B Delinquent Debt (Over 180 Days Delinquent) Eligible for Referral to Treasury for Offset and Cross-Servicing		
(3) Debt Eligible for Referral to Treasury or a Designated Debt Collection Center for Cross-Servicing		
(A) Debt Eligible for Referral to Treasury for Collection (from 1H)		
(B) Foreign/Sovereign Debt (-)		
(C) Debt in Litigation for Enforced Collection (-)		
(D) At Private Collection Agencies (-)		
(E) In the Process of Internal Offset (-)		
(F) Debt Exempted by Treasury from Cross-Servicing (-)		
(G) Debts Returned from Cross-Servicing (-)		
(H) Other - <u>must footnote</u> (+ or -)		
(I) Debt Required To Be Referred To Treasury or a Designated Debt Collection Center for Cross-Servicing		
(J) Debt Referred to Treasury or a Designated Debt Collection Center for Cross-Servicing (-)		
(K) Balance Remaining to be Referred		



Part II, Section C- Collections on Delinquent Debt

Part II - Debt Management Tool and Technique Performance Data		
	Number	Dollars
Section C Collections on Delinquent Debt		
(1) Collections on Delinquent Debt		
(A) By Private Collection Agencies (+)		
(B) By Litigation (+)		
(C) By Internal Offset (+)		
(D) By Third Party (+)		
(E) By Asset Sales (+)		
(F) By Wage Garnishment (+)		
(G) By Treasury/Designated Debt Collection Center Cross-Servicing (+)		
(H) By Treasury for Offset (+)		
(I) By Agency (+)		
(J) Other - must footnote (+)		
(K) Total Collections on Delinquent Debt		

Part II, Section D-CNC Debt Status

Part II - Debt Management Tool and Technique Performance Data		
	Number	Dollars
Section D CNC Debt Status		
(1) Currently Not Collectible Debts (Written Off and Not Closed Out)		
(A) At Private Collection Agencies (+)		
(B) At Treasury or a Designated Debt Collection Center for Cross-Servicing (+)		
(C) At Treasury for Offset (+)		
(D) Other - must footnote (+)		
(E) Total-Currently Not Collectible Debts (1A thru 1D not mutually exclusive)		
(2) CNC Debts Closed Out During the Current FY (+)		

Part II, Section E-Disposition of Closed-Out Debts

Part II - Debt Management Tool and Technique Performance Data		
	Number	Dollars
Section E Disposition of Closed-Out Debts		
(1) Debts Closed Out During the Previous Calendar Year (CNC and Non-CNC Debts) (+)		
(A) Reported to IRS on Form 1099-C (+)		
(B) Not Reported to IRS on Form 1099-C - (must footnote) (1-1A)		



FOOTNOTES

- **Footnotes are needed whenever an agency's criterion is inconsistent with Treasury's definition of data requirements**
- **Characteristics of Good Footnotes**
 - **Write a clear, concise narrative**
 - **Make it easily understandable to the lay person**
 - **Make reference to the appropriate line items in the TROR**
 - **Reference issues/changes to monetary amounts and its reporting impact**
 - **Avoid the use of acronyms**

In the Footnotes Section, Part III You'll See ...

Agency Contact Information

Preparer's Name: _____

Telephone Number: _____

Preparer's Facsimile No.: _____

E-Mail Address: _____

Supervisor's Name: _____

Telephone Number: _____

Address: _____

E-Mail Address: _____

City: _____ State: _____

Zip Code: _____



Agency Liaison Branch

- **6 Analysts assigned to all CFO and Non-CFO agencies**
- **Assist FPAs to ensure accuracy of TROR reporting**
- **Support BDMOC with FPAs cross-servicing issues**
- **Initiate and maintain relationships with FPAs on all debt collection matters**



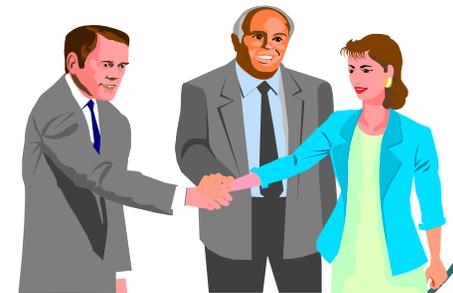
How your ALB Liaison Works with You

- Tailored TROR sessions for agencies
- Program information upon request
- Ongoing information exchange to keep you informed about initiatives and agency reporting issues
- Meetings as needed with the appropriate representatives (i.e. Cross-Servicing, TOP, etc.)
- TROR analysis and instructions
- DMS updates on new programs or changes in policy
- Support to the agency's CFO offices in strategizing improvements



What Can the Agencies Provide to ALB to Optimize Performance?

- **Share TROR information before submission to identify any potential errors**
- **Provide information on the substance of an agency's debts (i.e. some debts may be reported as eligible but should not be reported)**
- **Attend training and workshops that are offered**
- **Notify agency liaison of referral issues that are expected**
- **Keep TROR analyst informed of agency issues, such as, changes of program structure and personnel**



Additional Debt Management Information!

- **DMS Certifications/Verifications:**
 - **Cross-Servicing Debt Certifications – Annual**
 - **TROR Certification/Verification – Annual**
 - **FedDebt Certification – Annual**
 - **TOP Debt Certification – Annual**

<http://fms.treas.gov/debt/dmrpts.html>

- **Managing Federal Receivables!**

http://www.fms.treas.gov/debt/Guidance_MFR.html



Accounting & Agency Services Division

Points of Contact

Dr. Gina Myers, Director
Accounting & Agency Services Division
(202)874-8580

Terrence Prince, Manager
Agency Liaison Branch
(202)874-8580

Shirley Williams-Jefferson, Manager
Conferences & Agency Education Branch
(202)874-8580





For further information contact:

Your DMS Agency Liaison

Listed @

<http://fms.treas.gov/debt/dmrpts.html>



UNITED STATES
DEPARTMENT OF
THE TREASURY



Agency Training

- **DMS/AASD offers TROR workshops specifically tailored to meet your agency needs**



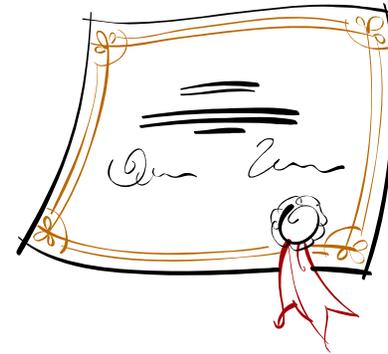
Register On-Line Early!

<http://fms.treas.gov/debt/training.html>



Congratulations!!

You Are Certified TROR Preparers!!



Questions?

