

CHAPTER 5. FIELD PERSONNEL ROLES AND RESPONSIBILITIES

5-1. ACTION OFFICIAL. Initial responsibility for collecting debts due HUD is vested in the Action Official. If this effort and follow-up letters are unsuccessful, the Action Official forwards the debt file to the Claims Collection Officer (CCO) for further collection action. Specific duties of the Action Official include:

- o Carefully monitoring program, grant, project, or activity for debts to HUD, in accordance with procedures prescribed by FAR 32.6 and the Contract Disputes Act of 1978, as appropriate.
- o Examining each case for indication of fraud, false claim, or misrepresentation and promptly reporting such indications to the Assistant Inspector General for Investigation (AIGI) or Regional Inspector General for Investigation (RIGI).
- o Reviewing and assessing program audit findings.
- o For sustained audits, initiating a Concurrence Memorandum.
- o For investigations, completing an Investigation Disposition Report (HUD-1416).
- o Sending the Initial Letter Requesting Payment of Debt and Invoice (HUD-216) and sending two follow-up letters at 30-day intervals.
- o Providing appropriate documentation to the Regional Accounting Division (RAD) to establish an account receivable on all debts.
- o Maintaining a debt file.
- o Notifying the RAD of changes in debt status so that proper adjustments are made to the receivables.
- o Responding promptly to RAD requests for information or assistance.
- o Telephoning and personally contacting the debtor to determine debt collectibility.
- o Implementing installment repayment agreements for collection where full repayment cannot be accomplished.
- o Monitoring the effectiveness of initial debt collection efforts.
- o Ensuring that collected funds are processed in accordance with HUD Handbook 1911.1 REV, Handling and Protecting Cash and Other Negotiable Instruments.

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- o Coordinating actions taken on debts arising from contracts with the Contracting Officer.
- o Recommending collection by offset, when appropriate.
- o Sending the debt file to the CCO for claim establishment when initial collection attempts prove unsuccessful.
 - o Working with the Departmental Claims Officer (DCO) to analyze causes of delinquencies and defaults.
 - o Evaluating each Field Office's policies and procedures relating to its debt collection process and activities to ensure they meet the requirements of the law and this handbook (Regional Office Action Officials only).
 - o Taking timely action to reimburse debts/claims resulting in a sanction whereby costs must be repaid from non-federal funds by the recipient to its program/project account or letter-of-credit. (These are not debts due HUD and are not referred to the RAD for the establishment of a receivable.)

5-2. CLAIMS COLLECTION OFFICER.

- a. Responsibilities. The CCO is responsible for collecting and reporting claims that have proven to be uncollectible by Action Officials and RADs. The primary functions of a CCO are to collect, compromise, suspend, terminate, or transfer claims. To carry out these responsibilities, the CCO performs several administrative duties including:
 - o Receiving claim files from the Action Official.
 - o Maintaining up-to-date claim files at all times during claims processing.
 - o Pursuing aggressive debt collection actions.
 - o Making determinations regarding debt compromise, suspension, and termination.
 - o Keeping the RCCO, RAD and Action Official informed of changes in claim status.
 - o Transferring the claim file and a referral transmittal memorandum through the RCCO to the DCO when the claim has proven to be uncollectible and the amount of the claim exceeds the CCO's authority to compromise, suspend, or terminate.

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- b. Appointment. HUD pursues claims collection activities with only as many CCOs (and Alternate and Assistant CCOs) as necessary to ensure efficient and effective processing of claims.

The appointing official may designate Alternate/Assistant CCOs subject to the needs of the office.

Whenever special circumstances -- such as unusually high claims activity -- indicate to an appointing official that a variance from HUD policy is needed, a written justification is submitted to the DCO setting forth the nature and expected duration of the circumstances and recommending a course of action. The DCO grants waivers to appointment policy as appropriate.

Headquarters primary organization heads, Regional Administrators, and Category "A" office managers designate CCOs to be responsible for claims arising from the activities of such offices. CCOs may be appointed for Category "B" and "C" offices at the discretion of the Regional Administrator having jurisdiction over the office. The DCO must be kept informed of all CCO appointments. (See Appendix 16.)

Employees who are directly involved in maintaining the accounting records for debts/claims receivable must not be designated as CCOs.

- c. Selection. Since efficient delinquent debt collection is key to ensuring that HUD's financial interests are well managed, it is essential that appropriate personnel be assigned CCO responsibilities and duties. In selecting staff to serve as CCOs, the following criteria should be considered:
- o The percent of the individual's time expected to be devoted to claims collection as determined by the volume of claims to be processed, since claims collection is assigned as a collateral duty.
 - o Degree of knowledge of HUD programs under the jurisdiction of the office.
 - o Ability to aggressively pursue the collection of claims from debtors.

- o Ability to analyze the characteristics of claims and formulate responsible decisions relative to compromise, suspension, or termination, and to prepare recommendations on claims referable to higher authority.
- o Grade level consistent with the responsibility to be exercised in relation to size and quantity of claims processed by the office.
- o Evidence of skills needed to speak and act for the head of the office.

5-3. FIELD COUNSEL (CHIEF COUNSEL AND CHIEF ATTORNEY). The Chief Counsel and the Chief Attorney have primary Field Counsel responsibility for legal review of proposed compromises and terminations. Their review should be obtained prior to the CCO's final decision to compromise or terminate, or prior to recommending such action to the DCO.

The Chief Counsel and Chief Attorney are available for informal counsel prior to referring a matter to the Regional Counsel or DCO for enforcement.

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