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REFERENCES

STATUTORY

5 USC 5514 and	Salary Offset
Public Law 97-276,G124	Salary Offset after Judgment

31 USC 3729, et seq.	False Claims Act
28 USC 2415 and 31 USC 3716(c)	Statute of Limitations on Claims
31 USC 3701, et seq.	Federal Claims Collection Act of 1966
31 USC 3701, et seq.	Debt Collection Act of 1982
31 USC 3702A	Deficit Reduction Act of 1984 - Income Tax Refund Offset
41 USC 601, et seq.	Contract Disputes Act of 1978

REGULATIONS

4 CFR 101-105	General Accounting Office/Department of Justice Regulations (Federal Claims Collection Standards)
5 CFR 550	Office of Personnel Management Regulations
24 CFR 17	HUD Regulations on Administrative Claims
FAR Subpart 32.6	Federal Acquisition Regulation

COLLECTION PROCEDURES

HUD 1900.25, REV-2 issued 10/31/83	Delinquent Debt Collection Handbook
Notice 84-14 issued 11/22/84	Financial Control Requirements for Sustained Costs Resulting from Inspector General Audit Findings
HUD 1971.5	Internal Revenue Service Information Returns for Nonemployees

HUD 4740.2	Title I Collection Procedures
HUD Guide 2362.35	ADP Terminal Operations Guide for the Delinquent Debt Control System (DDCS)

FISCAL PROCEDURES

HUD 4110.1 REV	Fiscal and ADP Handbook
HUD 1911.1 REV	Handling and Protecting Cash and Other Negotiable Instruments

COMPLAINTS AND IRREGULARITIES

24 CFR 24	Debarment, Suspension and Ineligibility of Contractors and Grantees, Adminis- trative Sanctions
HUD 4080.1 REV	Compliance Handbook
HUD 1300.13	Debarment, Suspension and Ineligibility of Contractors and Grantees
HUD 2000.3	Office of Inspector General Activities
HUD 2000.6 REV	Audits Management System

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GLOSSARY OF TERMS AND ACRONYMS

ACRONYMS

AIGA.	Assistant Inspector General for Audit.
AIGI.	Assistant Inspector General for Investigation.
AAMS.	Automated Audits Management System.
AMS.	Audits Management System.
CAO.	Cooperative Agreement Officer.
CCM.	Cash and Credit Management Staff.
CCO.	Claims Collection Officer.
CFR.	Code of Federal Regulations.
CO.	Claims Officer.
CRA.	Credit Reporting Agency.
DCO.	Departmental Claims Officer.
DCP.	Debt Collection Project.
DDCS.	Delinquent Debt Control System (also known as the A97 System).
DOJ.	Department of Justice.
FAR.	Federal Acquisition Regulation.
GAO.	General Accounting Office.

GO. Grant Officer.
HUD. Department of Housing and Urban Development.
ICMS. Investigative Case Management System.
IOTV. Inter-Office Transfer Voucher (HUD-219).
IPA. Independent Public Accountant.
IRS. Internal Revenue Service.

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OFA. Office of Finance and Accounting.
OGC. Office of General Counsel.
OIG. Office of Inspector General
OMB. Office of Management and Budget.
OPC. Office of Procurement and Contracts.
RAD. Regional Accounting Division.
RCCO. Regional Claims Collection Officer.
RCO. Regional Contracting Officer.
RIGA. Regional Inspector General for Audit.
RIGI. Regional Inspector General for Investigation.
USC. United States Code.

TERMS

Account Receivable. An account representing an amount due HUD; an asset. An account receivable remains on the books until the debt/claim is either collected, referred to GAO, or determined to be uncollectible.

Action Official. The government official who has direct or delegated responsibility for managing a project, program, grant, contract, loan, or other activity; and is responsible for taking action or ensuring that action is taken on recovery of a debt due HUD.

Administrative Costs. The expenses incurred by processing delinquent debts/claims. These costs could include obtaining credit bureau reports and contracting with private debt collection firms.

Administrative Offset. Withholding money payable by the United States Government to, or held by the government for, a debtor to

satisfy a debt owed the government.

Audit Findings. The written results of an audit. Findings may include: errors; internal control weaknesses or deficiencies; adverse conditions; noncompliance with contractual, statutory, regulatory, or other legal requirements; the need for improvements or changes; and specific recommendations for correcting the problem. Findings may also refer to questioned or disallowed costs which may result in a debt owed HUD or a program.

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Audit Report. The report of audit findings issued by the AIGA/RIGA to the Action Official which initiates the debt/claim collection process and provides a basis for sustained costs.

Audits Management System (AMS). Maintained by the AIGA/RIGA, the AMS serves as the source for reports to key personnel on how to promptly resolve audit findings and establishes the process by which recommendations can be implemented.

Automated Audits Management System (AAMS). Maintained by the AIGA/RIGA, the AAMS controls and tracks the status of active audit findings. The system, which is updated each month, includes findings from audit reports on all recipients of HUD funds.

Billing. A demand for payment that specifies the basis for the demand and the payment terms; an invoice.

Claim. A delinquent debt that has been accepted by a CCO for aggressive action. Claims can be amounts owed from loans or due from fees, leases, rents, services, sales of property, overpayments, fines, penalties, damages, interest, taxes, loans, assignments, and deficiency judgments and other sources.

Claims Collection Litigation Report (CCLR). This is a report from a federal agency (e.g., HUD) to DOJ. It documents prior claims collection actions, current information about the debt, the debtor's address, and/or steps taken indicating that there is a reasonable prospect of affecting enforced collection from the debtor. The CCLR is required with all claims referred to DOJ (1) as administratively uncollectible; (2) for litigation; or (3) for DOJ approval with respect to compromise, suspension, or termination.

Claims Collection Officer (CCO). The CCOs located throughout HUD nationwide are responsible for collecting and reporting claims which have proven to be uncollectible by Action Officials and accounting offices. The designation of Alternate and Assistant CCOs is at the discretion of the individual appointing official, subject to the needs of the office. The Alternate CCO acts in the absence of the CCO. An Assistant CCO assists the CCO in the daily operation of the claims collection function.

Claims Officer. The Claims Officer is a staff member designated by the DCO to be responsible for developing and implementing the claims

collection system and for reporting and adjudicating claims received from RCCOs/CCOs. The Claims Officer is also responsible for ensuring that all debt/claims collection personnel are trained. Reference herein to the DCO incorporates reference to the Claims Officer.

Claim Status. A delinquent debt is placed in claim status when its file is accepted by a CCO. This is done only after three requests for payment have been made to the debtor and no payment or promise to pay the debt has been achieved.

Collection. Receipt of cash, checks, money orders, wire transfer, etc., either as a partial payment or payment in full of the debt. All negotiable instruments are accepted by HUD subject to collection. Checks returned to HUD by the debtor's bank marked "NSF" (nonsufficient funds) are not considered collection.

Compromise. A compromise is the forgiveness of part of a debt in exchange for payment of the remainder. Compromise is always achieved by a signed agreement between the debtor and HUD. The Action Official may recommend acceptance of an offer to compromise or may recommend that an offer of compromise be made by the DCO/CCO when transferring the debt to claim status. A compromise offer may be accepted if: (1) the debtor is unable to repay the debt; (2) there is real doubt as to HUD's ability to prove its case in court for the full amount; (3) collection costs do not merit holding out for the full amount; (4) HUD's enforcement policy will be adequately served by accepting a lesser amount; and/or other reasons deemed valid by the CCO.

Concurrence Memorandum. Formal documentation whereby the Action Official and AIGA/RIGA agree on the costs to be sustained from an audit finding.

Consumer Reporting Agency. A nongovernmental agency assembling or evaluating consumer (individual) credit information to provide consumer reports to third parties.

Creditor Agency. The agency to which a debt is owed for offset purposes.

Credit Report. Any information by a credit reporting agency on the credit-worthiness or financial reliability of an applicant or debtor.

Debarment. Exclusion from participation in HUD programs for a set period of time due to failure to meet obligations.

Debt. Money owed HUD by virtue of a legal agreement or obligation.

Default. The failure of a debtor to meet financial obligations according to the terms and conditions of a legal agreement.

Delinquent Debt. A debt that has not been repaid by the due date specified in the initial notification or installment repayment arrangement.

Delinquent Debt Control System. An interactive automated system containing key information on HUD claims; also known as the A97 System. RCCOs, CCOs, and the DCO are responsible for data entry, updating, and maintenance of accurate debt information in the system after the debt reaches claim status.

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Department of Justice. Includes the U.S. Attorney's Offices.

Departmental Claims Officer. The DCO establishes and maintains policies and procedures for collection of debts and claims and coordinates collection activities in all regions and at Headquarters. The DCO is appointed by the Assistant Secretary for Administration and is either the OFA Director or Deputy Director.

Disallowed Costs. Costs charged to a HUD-financed or -insured program or activity which the AIGA or the RIGA have determined are not allowable under applicable law, contract, policies, or regulations. The AIGA or RIGA removes these costs from the schedule of project or audited costs included in the audit report and recommends that Action Officials direct the auditee to adjust the appropriate records and reimburse the project or HUD for the necessary amount. If the Action Official does not sustain a disallowance, he/she must: (1) provide a legal opinion showing that the costs are indeed eligible program costs; (2) demonstrate that the criteria used to disallow the costs is in error; or (3) obtain Departmental waivers for disallowances from the Under Secretary or Secretary of HUD.

Due Date. The date in a contract, repayment plan, or initial notification to the debtor which specifies the latest date payment can be received without the debtor being subject to adverse consequences.

Employee. A current employee of a Federal Agency, including a current or reserve member of the Armed Forces. Retired military employees are considered current employees for salary offset purposes.

Field Counsel. Chief Counsel and Chief Attorneys.

Loan Receivable. An account for the amount of funds that have been advanced by HUD under terms of a contract and have not been paid. Loans are repayable to HUD over a period of time in excess of 1 year but usually not more than 40 years.

Offset. The act of satisfying a debt due HUD by applying amounts which HUD or another Federal Agency owes to the debtor. Offset of a debt due HUD to settle the debt, where legally permissible, may occur within the same HUD program, between HUD programs if the debtor

participates in each, or between a HUD program and another Federal Agency program.

Paying Agency. The agency that employs the debtor and authorizes the payment of his or her current salary.

Penalty. An amount, expressed in dollars or as a percent, levied on a debtor for failure to make a payment, either in full or as an installment payment, within 90 days after the due date.

Program Participant. An organization outside of HUD (i.e., a State or local government, public housing agency, mortgagor, mortgagee, or contractor) which receives and/or distributes federal funds and functions in connection with a HUD program. A State or local government or one of its units usually participates as a grantee. Generally, program participants are under contract with HUD.

Questioned Costs. Costs charged to a HUD-financed or -insured program or activity whose eligibility cannot be determined when audited. These costs require a future decision from HUD Action Officials regarding their eligibility. This decision may involve a legal interpretation or clarification of HUD procedures and policies. Usually additional documentation is required to support claimed costs.

Re-establishment. When an amount that had been written off as uncollectible is recorded as a current account receivable.

Regional Claims Collection Officer (RCCO). RCCOs are responsible for identifying personnel needing debt/claims collection training and coordinating collection activities in their respective regions.

Reschedule. Stretching out or extending the original payment or due date by an official agreement.

Salary Offset. A deduction from an employee's pay -- with or without his/her consent -- to satisfy a debt due the government.

Suspension. A disqualification from participation for a temporary period because of suspected improper conduct.

Suspension of Collection Activity. The temporary discontinuance of collection activity when the debtor cannot be located or when the debtor owns no equity.

Sustained Costs. Costs charged to a HUD-financed or -insured program where responsible Action Officials: (1) have concurred in writing with the AIGA's or RIGA's conclusion that such costs are not allowable under law, contract, policies, or regulations; and (2) have agreed to seek recovery of the related amounts. Sustained costs can either be costs due the program or costs due HUD. Sustained audit findings involving questioned or disallowed costs do not result in cash savings until the AIGA or RIGA has evidence of their recovery

through actual reduction of HUD program costs and/or actual collection through restitution or offset.

Termination. When the DCO, RCCO, or CCO discontinue collection of a claim and close HUD's claim file. The Action Official can recommend that the DCO/RCCO/CCO terminate a claim for one or more of the following reasons: (1) no substantial amount can be collected by HUD from the debtor; (2) the cost will exceed recovery; (3) the claim is without legal merit; (4) the claim cannot be substantiated by evidence;

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or (5) the debtor cannot be located. The DCO and RCCOs/CCOs can terminate claims through \$20,000 and \$2,500, respectively. The DCO must refer claims of more than \$20,000 to the OGC for termination authorization by DOJ. Termination does not forgive a claim since it may later be re-established.

Waiver. The process by which a claim against a debtor is determined to have arisen through no fault of the debtor; collection is not pursued.

Writeoff. An accounting action to transfer a receivable from an asset account to an expense or allowance-for-loss account. Only the DCO and RCCOs/CCOs have the authority to notify the appropriate accounting office to write off claims. The DCO and RCCOs/CCOs can write off claims through \$20,000 and \$2,500, respectively. Only the DCO, with the approval of DOJ, can advise the appropriate accounting office to write off claims of more than \$20,000.

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