U.S. Department of Justice **1400.03.01**

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DOJ Instruction

TREASURY OFFSET PROGRAM REFUNDS AND DISBURSEMENTS

PURPOSE:	This Instruction establishes Department of Justice (DOJ) policy and procedures for Private Counsel Offices to process Treasury Offset Program (TOP) refunds.
SCOPE:	This Instruction applies to the Private Counsel Offices under contract by the Department of Justice for debt collection services and under the oversight of United States Attorneys' Offices.
ORIGINATOR:	Justice Management Division (JMD), Debt Collection Management (DCM)
CATEGORY:	(I) Administrative, (II) Financial Management
AUTHORITY:	31 CFR 5.19 31 U.S.C. 1322 31 CFR Part 208
CANCELLATION:	None
DISTRIBUTION:	This Instruction is distributed electronically to those components referenced in the 'SCOPE' section as well as posted to the DOJ Directives electronic repository (SharePoint).

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ACTION LOG

All DOJ directives are reviewed, at minimum, every five years and revisions are made as necessary. The action log records dates of approval, recertification, and cancellation, as well as major and minor revisions to this directive. A brief summary of all revisions will be noted. In the event this directive is cancelled, superseded, or supersedes another directive, that will also be noted in the action log.

Action	Authorized by	Date	Summary
Initial Document Approval	Dennis E. Dauphin	20/09/2013	DCM Treasury Offset Program Refund Procedures

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GLOSSARY OF TERMS

DEFINITIONS

Term	Definition
Component	An Office, Board, Division, or Bureau of the Department of Justice as defined in 28 C.F.R. § 0.1.
Debtor	A person who owes a debt to the United States.
Litigating Components	For the purposes of this Instruction these are: Antitrust Division, Civil Division, Civil Rights Division, Criminal Division, Environmental and Natural Resources Division, Tax Division and the United States Attorneys' Offices.
Offset	A reduction or withholding of a federal payment owed to a debtor to satisfy a debt.
Overpayment	A type of refund that occurs when the amount of the offset is greater than the debt balance, the overpayment amount the PC may return to the debtor.
Overpayment Refund	When an offset is refunded to the debtor due to an error, the debtor still owes the debt. The offset is refunded.

ACRONYMS

Acronym	Meaning
ACH	Automated Clearing House
CDCS	Consolidated Debt Collection System
CFR	Code of Federal Regulations
DAOG	Debt Accounting Operations Group
DCM	Debt Collection Management
DMM	Debt Management Module
DOJ	Department of Justice
EFT	Electronic Funds Transfer
EIN	Employer Identification Number
EOUSA	Executive Office for the United States Attorneys'
FMIS	Financial Management Information System
FMS	Financial Management Service

IRS	Internal Revenue Service
JMD	Justice Management Division
NCIF	Nationwide Central Intake Facility
PC	Private Counsel
POC	Point of Contact
SSN	Social Security Number
TIN	Tax Identification Number
TOP	Treasury Offset Program
Treasury	Department of the Treasury
USAOs	United States Attorneys' Offices

I. Introduction

The Justice Management Division (JMD), Debt Collection Management (DCM), Debt Accounting Operations Group (DAOG) will return to a debtor or payee(s), the amount collected on a debt when there is a request, when the debtor or payee(s) no longer owes the United States, or as otherwise required by law[1]. This instruction explains how to:

A. Determine the return process;

B. Process a manual refund request;

C. Process an automated disbursement request; and

D. Correct a civil debt TOP payment to ensure money is not refunded.

A. Determine Return Process

There are two refund processes: 1) a manual process and 2) an automated process. For the manual process, you must coordinate with NCIF to submit the *Request for Non Federal Disbursement.* If the process is automated, you must submit your request using the Consolidated Debt Collection System (CDCS). DCM will issue disbursements by electronic funds transfer using the Treasury Automated Clearing House (ACH), unless the debtor or payee submits a waiver (written certification) relieving them from the Electronic Funds Transfer requirement.

B. Process a Manual Refund Request

If a debtor still owes money on their debt, and you believe they may have a valid claim (i.e. debtor in bankruptcy protection when offset was taken) request on money collected by a Treasury offset you will process this manually. If the refund is less than $25 then it must be handled through the manual process, and if the refund is greater than $25, refer to Table 1 to determine if it should be handle through the manual or automated process.

TOP REFUNDS REASONS[2]			
If the reason for the refund is because...	**The Code is...**	**The refund request process will be...**	**Go to...**
Appeal, Case on	AP	Manual	Section B.
Agency Wrote Off Debt	AW	Manual	Section B.
Debtor in Bankruptcy	BK	Manual	Section B.
Deferred or Stayed Collection by Court	DF	Manual	Section B.
Expired Debt Liability Prior to Offset	EX	Manual	Section B.

[1] 31 CFR § 285.5 (2) Payments excluded from offset under this section. http://fms.treas.gov/debt/CFR/31cfr285dot5.pdf

[2] Private Counsel is required to add a Reason Code for not adding a debtor to TOP when submitting its monthly TOP *Debts Eligible for TOP* Report to their Contracting Officer Representative.

TOP REFUNDS REASONS[2]			
If the reason for the refund is because…	**The Code is…**	**The refund request process will be…**	**Go to…**
Financial Hardship of the Debtor	FH	Manual	Section B.
Military Debtor is Active Status Prior to Offset	ML	Manual	Section B.
Non-Federal Individual Offset	NF	Manual	Section B.
Other, Please Specify	OT	Manual	Section B.
Paid in Full Prior to Offset	PF	Automated	Section C.
Social Security or Employer Identification or Tax Identification Number Incorrect	SN	Manual	Section B.
Time Delay in removing Debt from TOP	TM	Manual	Section B

Table 1- Top Refund Reasons

For manual refunds, the Private Counsel (PC) must do the following process:

Step 1. Review the debtor's financial history.

Step 2. If you determine the refund is warranted, change the debt's TOP STATUS in CDCS on the TOP Active tab by selecting to remove it from TOP (exceptions to this include: if there is an injured spouse claim, then the debt remains active, or if the refund is due because of a mistake, such as money being taken from the wrong person due to an incorrect SSN, then the PC would be the one to inactivate the debt to stop any further payments). Once you change the status in CDCS, a transaction will be sent from CDCS to DMM to make the debt inactive in the TOP Master File.

a. Click on **CDCS Functions** in CDCS;

b. Click on **Enforce Collection Account;**

c. Click on **TOP Active** tab; and

d. Mark the checkbox next to the case to remove in the Remove column and click **Save**.

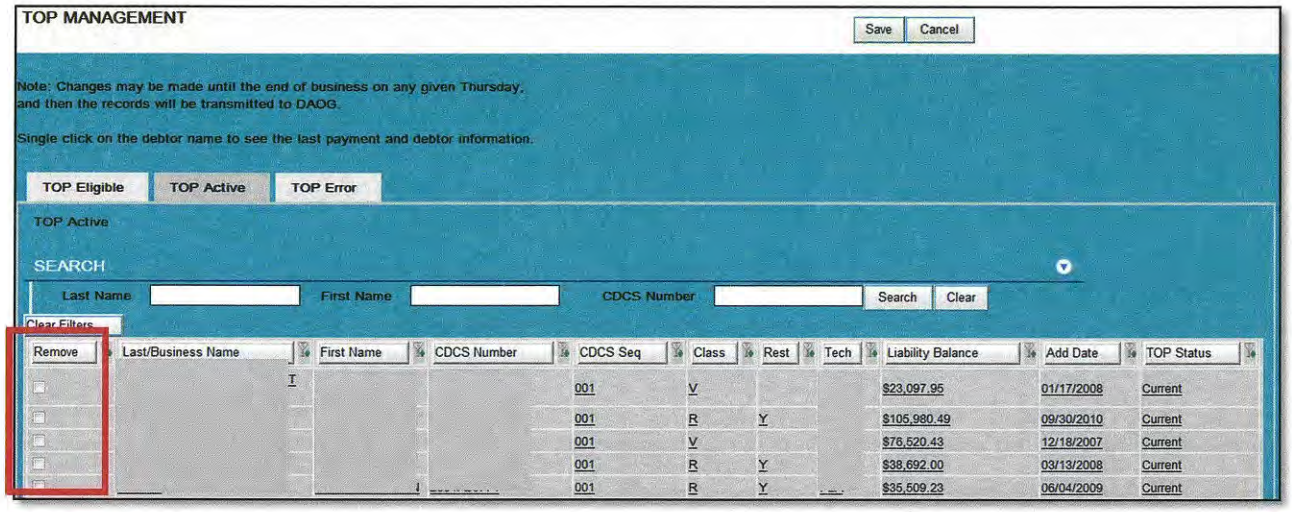

Figure 1 – TOP Active Screen

Step 3. Add an event in CDCS indicating that you sent an e-mail to DCM requesting a refund. To enter an event code, you must take the following steps from the CDCS main menu:

- Sub Step 1. Click **CDCS Functions**;
- Sub Step 2. Click **Update Collection Account**;
- Sub Step 3. Click **Events – Add/View/Update**;
- Sub Step 4. Type in the debtor's information on the *Search* screen and click **Next**;
- Sub Step 5. Click **Select Record**;
- Sub Step 6. Click in the **Event Date** field on the bottom of the *Events* screen. Complete the Event Date, Event Code, Event Activity, and Notes fields; and
- Sub Step 7. Click **Save**.

Step 4. Contact the NCIF/CDCS Help Desk to request assistance regarding processing a manual refund to the debtor. The help desk will work with you to fill out the required forms and process the request.

Help Desk		
CDCS Help Desk	NCIF.Finance@usdoj.gov	(800) 683-6567

Table 2 - Help Desk Contact Information

C. Process an Automated Disbursement

If an overpayment of $25 or more occurs when a debtor sends a payment greater than the amount-due balance, CDCS automatically creates a Disbursement Line and notifies the 1st Level Approver through the Workflow that an overpayment has occurred. You can review

overpayments by going to the *Overpayments Report,* located under System Reports/QC. After receiving the workflow notice, the 1st Level Approver must access the Overpayment Approvals screen by taking the following steps from the CDCS main menu:

Step 1. Click **CDCS Functions**;

Step 2. Click **Finance Transaction – Manage Debtor Payments**;

Step 3. Click **Overpayment Approvals** (Figure 2);

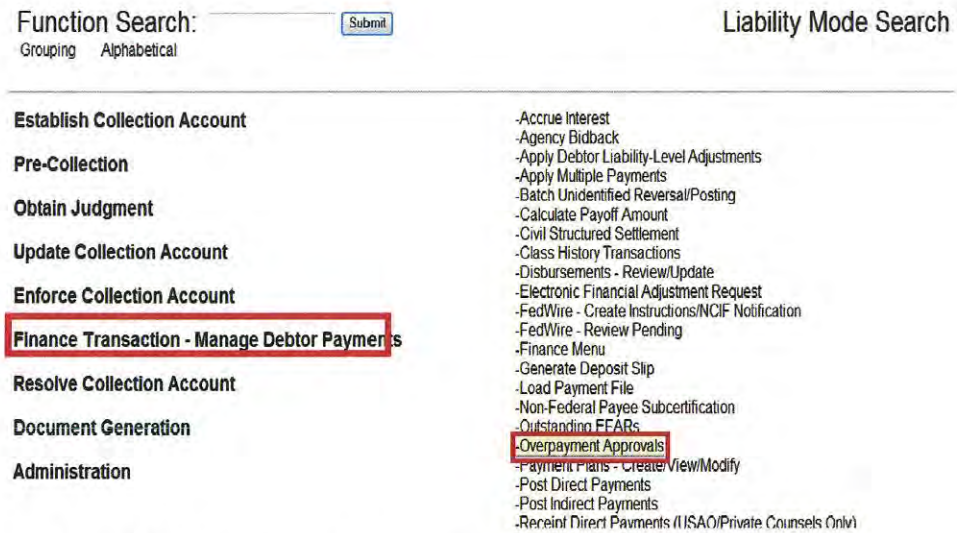

Figure 2 - Overpayment Approvals Screen

Step 4. Click the **First Level radio button** to see first level approvals (Figure 3);

Step 5. Validate the overpayment. If the overpayment can be applied to another debt, **stop DO NOT** approve the Overpayment. If the overpayment is to be refunded, the First Level approver must check the box under "Approvals 1st" next to the appropriate line and click **Save.** The request will be sent to the 2nd Level Approver;

Step 6. The 2nd Level Approver must click the Second Level radio button at the top of the page;

Step 7. Check the "Approvals 2nd" checkbox next to the appropriate line (Figure 3); and

Step 8. Click **Save**.

Note: Once the 1st and 2nd Level Approvers have approved, it sent to a third approval at NCIF (who is a Federal employee with a valid OBD-234), who reviews and makes a final approval. Once this is completed, you will not see the debtor's record on the Overpayment Approvals screen. The NCIF will work with the DAOG to issue the refund to the Debtor;

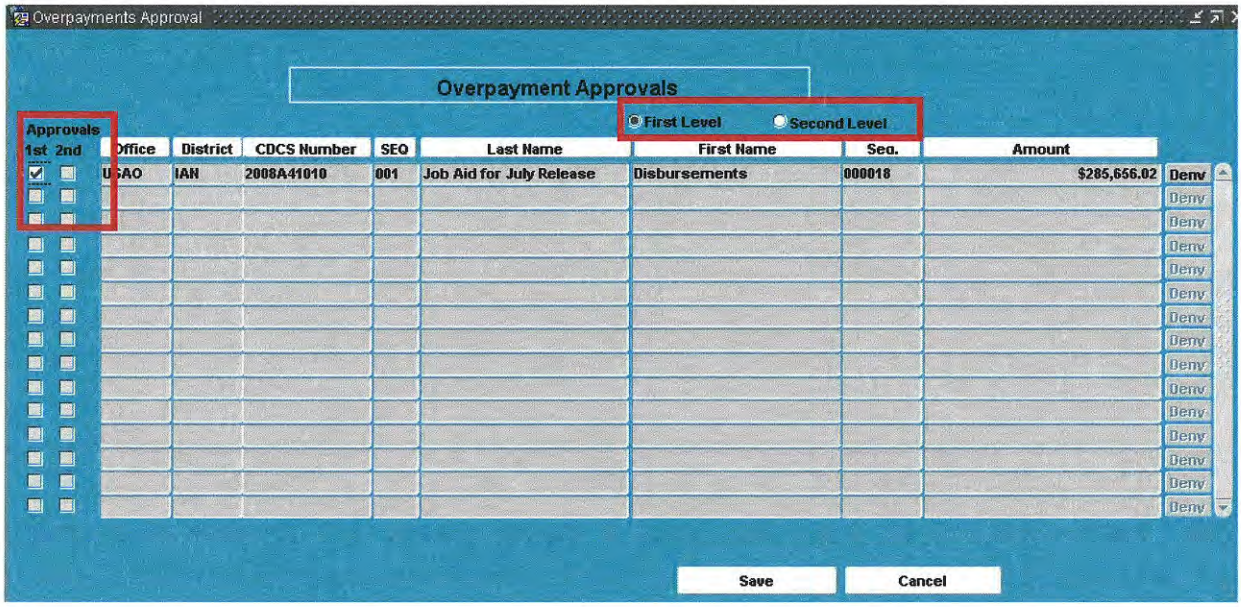

Figure 3 - Overpayment Approvals

Step 6. Validate the debtor's *Automated Clearing House (ACH) Payment Enrollment Form* information, in CDCS, is accurate. It is very important to have the current information in CDCS because this is where the payment will be sent. If the debtor has not completed an ACH Payment Enrollment form, you must contact the debtor to get a completed form (Appendix A) or get from them a notarized waiver request relieving them from using Electronic Funds Transfer. If you need to update the debtor ACH information, you do so by taking the following steps from the CDCS main menu:

Sub Step 1. Click **CDCS Functions;**

Sub Step 2. Click **Update Collection Amount;**

Sub Step 3. Click **Payees – Add/View/Update;**

Sub Step 4. Insert the debtor's information on the Search screen;

Sub Step 5. Click **Next** (The *Add/Update Payees* screen will appear); and

Sub Step 6. Click **Add Payee** (Figure 4).

Sub Step 7. Select Payee Type and Click **OK**

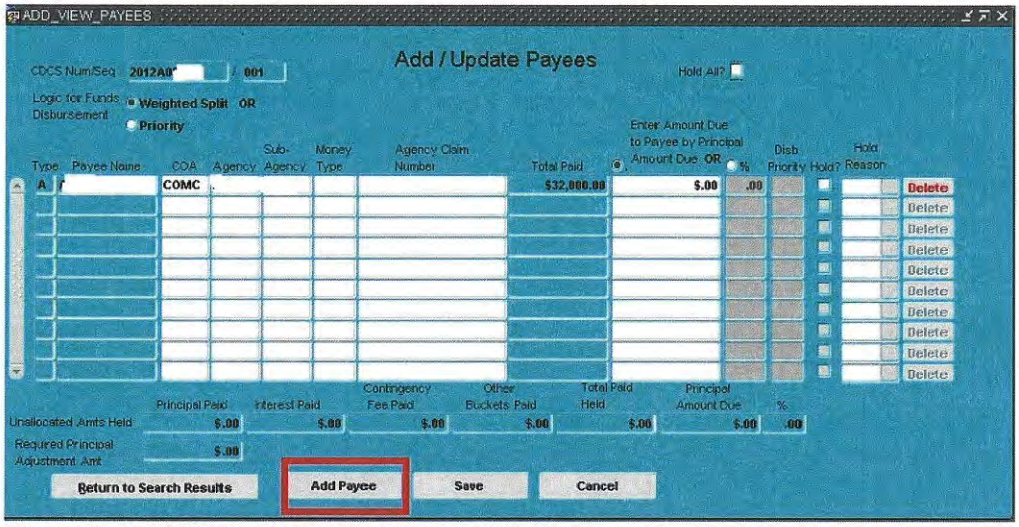

Figure 4 - Add/Update Payees Screen, Add Payee

Sub Step 8. Insert debtor ACH information on the Payee Details screen (Figure 5).

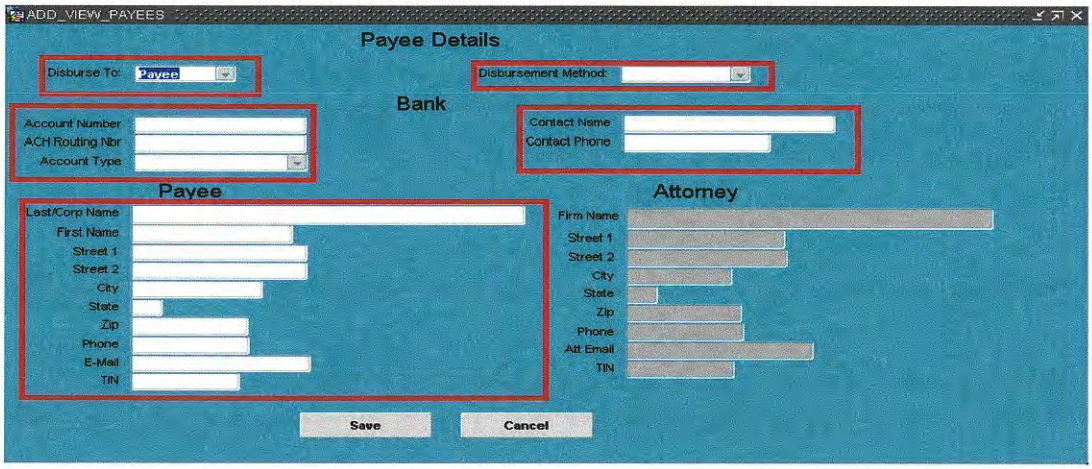

Figure 5 - Payee Details Screen

Sub Step 9. Click **Save**.

Sub Step 10. E-mail NCIF a copy of the latest ACH Payment Enrollment Form or notarized waiver. If you do not have a copy, please contact the debtor. ***Note:*** *DAOG* ***WILL NOT*** *process a refund request that does not have the ACH Payment Enrollment Form or a notarized waiver request relieving the requestor from using Electronic Funds Transfer.*

D. Correct a Civil Debt TOP Payment to Ensure Money is Not Refunded

Review the debtor's financial history by taking the following steps from the CDCS main menu:

Step 1. Click on **Financial Transaction-Manage Debtor Payments.**

Step 2. Click on **Review Financial History.**

Step 3. Search and select the appropriate debtor. If you believe a refund for a civil TOP debt must not be refunded you must contact the Help Desk for assistance.

Help Desk		
CDCS Help Desk	NCIF.Finance@usdoj.gov	(800) 683-6567

Table 3 - Help Desk Contact Information

E. Monitor Refunds

PC may review if a refund has been processed by DAOG on the *Disbursement History* screen by taking the following steps from the CDCS main menu:

Step 1. Click **Finance Transaction-Manage Debt Payments**;

Step 2. Click **Disbursements-Review/Update**;

Step 3. Enter debtor information on the *Search* screen, click **Next**;

Step 4. Click **Select Record** and go to the *Disbursements List of Transactions* screen;

Step 5. Select the appropriate transaction, click **Select Disbursement**; and

Step 6. Click **Disb History** at the bottom of the *Disbursement Details* screen to get disbursement history information.

II. Questions and Comments

PC offices that have any questions or comments regarding this Instruction should contact the PC program POCs shown below or via e-mail DCMPrivateCounsel@usdoj.gov.

POC:	TBD	TBD
Title:	TBD	TBD
Email:	XXXXXXXXXX@usdoj.gov	XXXXXXXXXX@usdoj.gov
Telephone:	202.XXX.XXXX	202.XXX.XXXX
Address:	Two Constitution Square 145 N. Street, Room XX.XXX Washington, DC 20530	Two Constitution Square 145 N. Street, Room XX.XXX Washington, DC 20530

APPENDIX A. ACH PAYMENT ENROLLMENT FORM

ACH VENDOR/MISCELLANEOUS PAYMENT ENROLLMENT FORM

This form is used for Automated Clearing House (ACH) payments. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion.

PRIVACY ACT STATEMENT

The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). All information collected on this form is required under the provisions of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Treasury Department to transmit payment data, by electronic means to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments through the Automated Clearing House payment system.

AGENCY INFORMATION		
FEDERAL PROGRAM AGENCY DEPARTMENT OF JUSTICE		
AGENCY IDENTIFIER	AGENCY LOCATION CODE	ACH FORMAT
ADDRESS		
WASHINGTON, DC		
CONTACT PERSON NAME	TELEPHONE NUMBER 202-	

PAYEE INFORMATION	
NAME	SOCIAL SECURITY NO. OR TAXPAYER ID NO.
ADDRESS	
CONTACT PERSON NAME	TELEPHONE NUMBER

FINANCIAL INSTITUTION INFORMATION	
NAME	
ADDRESS	
ACH COORDINATOR	TELEPHONE NUMBER
NINE-DIGIT ROUTING TRANSIT NUMBER	
DEPOSITOR ACCOUNT TITLE	
DEPOSITOR ACCOUNT NUMBER	
TYPE OF ACCOUNT (PLEASE CIRCLE) CHECKING SAVINGS LOCKBOX	
SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL (COULD BE THE SAME AS ACH COORDINATOR)	TELEPHONE NUMBER

ACH VENDOR/MISCELLANEOUS PAYMENT ENROLLMENT FORM

INSTRUCTIONS

In a government-wide cost cutting effort, the Department of the Treasury has mandated that all government payments be processed through an electronic funds transfer system. They have developed the vendor express to utilize the automated clearing house (ACH) network to process financial transactions. This will allow DOJ to transfer funds directly to your bank account.

To enroll in the program, please complete the "*ACH Payment Enrollment Form*," (SF-3881) on the front of this page, as follows:

1. Complete the "Payee Information" section of the form.
2. Ask your financial institution to complete the "Financial Institution Information" section. This form should be signed by the ACH coordinator at your bank.
3. Make arrangements with your bank to be notified of the deposit.
4. Make a copy of the completed form for your files.
5. Return the completed original form to the DOJ litigating component or Private Counsel you received it from.

PLEASE NOTE:

It is your responsibility to notify DOJ if your banking information changes (for example, you change account numbers, banks, etc.)

If you have questions, please call the DOJ contact person named in the "Agency Information" section of the form.