



# Agency Outreach in Debt Collection

Working Together  
and  
Keeping Score



# Bringing Agencies Together

- Revisiting the Debt Collection Improvement Act of 1996 (DCIA)
- Enhancing transparency and accountability
- Getting tougher on delinquent debt
- Establishing the Agency Advisory Council



# Scorecard Objectives

- Meet Enforcement Expectations
- Increase transparency and accountability
- Monitor compliance with DCIA 1996 and good government debt collection practices
- Function as relationship management Tool
- Support OMB's Dashboard Initiative\*



# Agency Feedback and Scorecard Improvement

- Reduce measure subjectivity
- Avoid color-coded system
- Increase Frequency of Assessment
- Make reports accessible to agencies



# The Debt Management Services Agency Assessment Scorecard



## Debt Management Services Agency Assessment Scorecard

Period Covered:  
 Date Prepared:  
 Prepared By:  
 Date Completed:  
 Date Revised:

Agency Name:		Deputy Chief Financial Officer:			
Chief Financial Officer:					
Scorecard Objectives	Measures	Score	Score Justification	Comments	
Debt/Debtor Information (Cross-Servicing)	1 Timely Submission of Debt Certification				
	2 Completeness of Debt Information Referred via Batch <sup>1</sup>				
	3 Refers Delinquent Debts at Least Once Per Quarter				
	4 Responsiveness to Disputes				
Utilization of Collection Tools (Cross-Servicing)	5 Administrative Wage Garnishment				
	6 Credit Bureau Reporting				
	7 Private Collection Agency				
	8 Referrals to DOJ				
	9 Salary Offset				
Treasury Report on Receivables (TROR) Reporting Accuracy and Timeliness	10 Treasury Offset Program (via Cross-Servicing)				
	11 At least 95% Referral Rate - Cross Servicing (Meets 180 day Mandate)				
	12 At least 95% Referral Rate - TOP (Meets 180 day Mandate)				
OMB Circular A-129/CNC/Close-Out	13 Timely Submission of TROR				
	14 Meets Write-Off and Close-Out Requirements				
Validity of Treasury-Granted Exemptions and Other Exemption Claims	15 Treasury Granted Exemption on File				
	16 Justification for "Other" Debts Category (Ineligible/Exempt Debts)				

a (Transactions Processed/Transactions Loaded) x 100

### Scoring

Quantitative Scoring	Qualitative Scoring
Excellent = 100 - 90%	Compliant
Good = 89 - 70%	Review Required
Fair = 69 - 50%	N/A (Not Applicable)
Review Required = 49 - 0%	
N/A = Not Applicable	

### Notes:

- Line 1 (Timely Submission of Debt Certification) cover: TOP and Cross-Servicing annual certifications.
- Lines 5-10 (Utilization of Collection Tools) programs represented in this section are those identified in the Fed Debt system.
- Line 9 (Salary Offset) is a delinquent debt collection mechanism implemented through the Treasury Offset Program.

Debt Management Services  
 U.S. Department of the Treasury - Financial Management Service

Version Date





# Overview of the Measures

- Quality of debts referred to Treasury/DMS
- Debt Collection Tool Utilization
- Debt Referral Rates
- Compliance with OMB Circular A-129
- Validity of Treasury Granted Exemptions
- Justification for “Other” debts category



# Quality of Debts Referred to Treasury

## Debt and debtor information

- Annual Debt Certification Agreement
- Completeness of Debt Information Referred via Batch File
- Quarterly Debt Referrals
- Responsiveness to Disputes



# Debt Collection Tool Utilization

- Administrative Wage Garnishment (AWG)
- Credit Bureau Reporting
- Private Collection Agencies (PCAs)
- Referrals to the Department of Justice
- Salary Offset
- Treasury Offset Program



# Debt Referral Rates

- Cross-Servicing Referral Rate
- TOP Referral Rate
- Timeliness of Referrals



# Debt Referral Rates: Cross-Servicing Referral Rate

Part II - Debt Management Tool and Technique Performance Data		
	Number	Dollars
<b>Section B Delinquent Debt (Over 180 Days Delinquent) Eligible for Referral to Treasury for Offset and Cross-Servicing</b>		
(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		



# Debt Referral Rates: TOP Referral Rate

Part II - Debt Management Tool and Technique Performance Data		
	Number	Dollars
<b>Section B Delinquent Debt (Over 180 Days Delinquent) Eligible for Referral to Treasury for Offset and Cross-Servicing</b>		
(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		



# Compliance with OMB Circular A-129 Write-off/Closeout

Part I - Status of Receivables		
	Number	Dollars
<b>Section C Delinquent Debt (Excluding CNC Debts)</b>		
<b>(1) Delinquencies by Age</b>		
(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 (+)		
<b>(H) Total Delinquencies by Age</b>		
<b>(2) Delinquencies by Category</b>		
(A) Commercial (+)		
(B) Consumer (+)		
(C) Foreign/Sovereign Government (+)		
(D) State and Local Government (+)		
<b>(E) Total Delinquencies by Category</b>		



# Validity of Treasury Granted Exemptions

- Debt Exempted by Treasury from Cross-Servicing must be valid
- Requires approval by Treasury
- Types of debts exempted
  - Debts serviced by third parties



# Justification for “Other” debts Category

- Explanation for “other” category
- Footnotes are needed whenever an agency’s criterion is inconsistent with Treasury’s definition of data requirements
- Requires proof of explanation to justify exemption



# Scorecard Results and Successes

- Greater dialogue and agency interaction
- Increased interest and responsiveness on debt portfolio matters
- Improvements in referral rates
- Greater debt collection tool usage
- Growing requests for agency training
- Deeper FMS understanding of Agency needs
- Smoother implementation of the new TFM chapter



# Questions???