

MS 777 Billing and Collection Procedures, Debts, and Claims

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Table of Contents

Attachments

Table Of Contents

1.0 Purpose and Scope

1.1 Purpose

1.2 Scope

1.2.1 Types of Transactions Covered

1.2.2 Types of Transactions Excluded

1.2.3 Other Transactions

2.0 Definitions

2.1 Billing

2.2 Billing Office

2.3 Cashier

2.4 Claim

2.5 Debt

2.6 Field Activity

2.7 Field Director or Official

2.8 Fiscal Services Activity

2.9 Office Head

3.0 Responsibilities

3.1 Office Heads and Field Officials

3.2 Billing Office Functions

3.3 Fiscal Services Activity

3.4 Collection Officer

3.5 Coordination with Regional U.s. Depository, Country Depository or Embassy

4.0 Billings

4.1 Billing Documents

4.1.1 Bill for Collection - Peace Corps Form no. Pc-1566

- 4.1.2 Letter Format
- 4.1.3 Standard Forms - Voucher for Transfer Between Appropriations (sf 1080) and Voucher and Schedule of Withdrawals and Credits (sf 1081)
- 4.2 Numbering Billing Documents
 - 4.2.1 Assignment of Bill Numbers
 - 4.2.2 Sequential Bill Numbers
 - 4.2.3 Distribution of Billing
- 5.0 Control of Billings and Settlement Transactions
- 6.0 Validity of Debt - Claim
 - 6.1 General
 - 6.2 Cooperating Country Sponsor
- 7.0 Claims Arising From Audit or Review Findings
- 8.0 Amounts due From Agency Employees, Volunteers, Experts, etc.
- 9.0 Transferred or Terminated Individuals
- 10.0 Billing Other Debtors
- 11.0 Debts Established by Nonbilling Offices
- 12.0 Amounts due From Operational or Program Activity
- 13.0 Collection Procedures
- 14.0 Limitations
- 15.0 Collection Actions
 - 15.1 Demands for Payment
 - 15.2 Frequency
- 16.0 Review and Follow-up Action
 - 16.1 Suspense File
 - 16.2 Follow-up Techniques
 - 16.3 Collection by Setoff Against Employees, Volunteers, Experts, and Others
 - 16.4 Special Consideration for Employees
- 17.0 Collection in Installments
- 18.0 Compromise of Claim - Billed Amount
 - 18.1 Grounds
 - 18.2 Amount
- 19.0 Suspension of Collection Action
- 20.0 Termination of Collection Action
- 21.0 Waiver of Claims for Erroneous Payments of pay and Allowances
- 22.0 Control and Accounting for Collections and Receipts
 - 22.1 Cash or Other Remittance
 - 22.2 Collections Effected by Standard Forms 1080-1081 - Interagency
 - 22.3. Collections Received After Write-off of Billing

- 23.0 Compromise, Suspension or Termination of Debt/claim
- 24.0 Field Activities
 - 24.1 Uncollectible Billings not in Excess of \$100
 - 24.2 Uncollectible Billings in Excess of \$100
- 25.0 Peace Corps/Washington
 - 25.1 Billings for Debts or Claims of Less Than \$200
 - 25.2 Billings for Debts or Claims of \$200 or More but not Exceeding \$20,000
- 26.0 Referral of Claims to General Accounting Office or Department of Justice
 - 26.1 To GAO
 - 26.2 To Department of Justice
- 27.0 Capacity of Official on Acting Basis
- 28.0 Reporting and Reconciliation
- 29.0 Overseas Posts
- 30.0 PC/W Offices and Service Centers
- 31.0 Effective Date

Attachments

- | | |
|--------------|---|
| Attachment A | Bill for Collection |
| Attachment B | Example of a Demand for Payment Letter |
| Attachment C | Voucher for Transfers Between Appropriations and/or Funds |
| Attachment D | Voucher and Schedule of Withdrawals and Credits |
| Attachment E | Register of Billing and/or Collections Transactions |
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1.0 Purpose and Scope

1.1 Purpose

To provide a comprehensive, aggressive and uniformly applied claim and debt collection program consistent with good business practice, the requirements imposed by the Federal Claims Collection Act of 1966 (80 Stat. 309), joint regulations promulgated by the Comptroller General of the United States and the Attorney General of the United States (4 CFR 101-105) and Title 4 of the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies. This order prescribes the procedures and requirements for preparing billing documentation, control registers and for reporting the billing and collection transactions in the Agency accounting system. They apply to domestic and foreign operations and are readily adoptable within any administrative or fiscal operation in support of headquarters or field operations.

1.2 Scope

1.2.1 Types of Transactions Covered

Covered transactions include those transactions based on billings or other demands for payment for amounts due the United States in U.S. dollars or foreign monies. The procedures are applicable for the collection of overpayments, reimbursement and refund for credit to appropriation accounts or other receipts for credit to U.S. dollar or foreign trust funds. Included are billings to other government agencies, foreign governments, non-government entities and organizations, individuals, Peace Corps Direct Hire employees, experts, consultants, personal services contractors, Volunteers, trainees, vendors and suppliers. The procedures also apply to claims against contractors or where amounts are due from funds advanced to employees, experts, Volunteers, and contractors when the request is classified as an accounts receivable. Requests for refund from commercial carriers of amounts due the United States for unused, lost or stolen tickets, exchange orders, loss or damage cases made on the basis of Standard Form 1170, Redemption of Unused Tickets, or letter, will also be controlled as herein prescribed. The above transactions fall within the accounts receivable category and are recorded in the subsidiary and general ledger accounts.

1.2.2 Types of Transactions Excluded

- a. deposits of receipts to the general receipt, trust or deposit fund accounts except for recoveries to be credited to these funds or accounts as a result of a billing for an incorrect, improper or illegal payment;
- b. proceeds from the sale of personal property;
- c. fees remitted by government employees who served as jurors or government witnesses;
- d. donations, voluntary return of overpayments or advances.

1.2.3 Other Transactions

Procedures for the processing of collections to be credited to a Peace Corps/Washington or field activity account other than the one where collection is made, are contained in other Agency directives covering accounting and reporting procedures.

2.0 Definitions

Laws and various Agency directives provide definitions of fiscal and accounting terminology used in government operations. For clarity and to facilitate reference these definitions are provided:

2.1 Billing

Bill for Collection, Peace Corps Form PC-1566, or a letter requesting payment of an amount due the U.S. (See Attachments A and B.)

2.2 Billing Office

Office where the issuance, control and follow-up and settlement of billings for debts or claims are performed.

2.3 Cashier

Employee or Volunteer duly designated as a government cashier by Peace Corps and the U.S. Treasury to receive collections.

2.4 Claim

A demand based on a determination made on the findings and recommendations of a case presented to Agency officials for any situation. Examples: Reports of irregularity covering the loss of funds, misuse of property, loss of property, etc.

2.5 Debt

A demand for payment arising in the normal course of business. Examples are: sale of services, overpayment of salary, reimbursement for use of government vehicles, etc.

2.6 Field Activity

An Agency entity located within a service center or foreign country.

2.7 Field Director or Official

Individual directing a service center or a Peace Corps Post overseas.

2.8 Fiscal Services Activity

Organizational unit where formal accounting and financial reporting occurs within the Agency or at a Department of State budget and fiscal office, region or center.

2.9 Office Head

Individual in charge of an office or division in Peace Corps/Washington.

3.0 Responsibilities

3.1 Office Heads and Field Officials

Office heads and directors of field activities are responsible for the collection of amounts due the United States. This would include:

- Assurance that controls are in effect to identify those acts or areas of operations for which reimbursement is due the U.S., and that the necessary data is furnished the designated billing office.
- That the office within the service center or Post responsible for the issuance and control of bills for each type of indebtedness is clearly identified.
- Direction of the cashiers and operation of the fiscal services activities under Agency control.
- Periodic review of billing and collection procedures to assure the effectiveness of controls and settlement activity.
- Effective liaison with other Agency fiscal service activities to assure the prompt transmission of data and observance of the requirements of this directive when cross-service arrangements are involved.

3.2 Billing Office Functions

Billing offices should be established at an organizational level which permits the full application of the procedures outlined in this directive and allows ready access to administrative officials. For internal control purposes, billing offices will be identified in accordance with instructions contained in paragraph 4. A billing office has the following responsibilities:

- Preparation, issuance and control of billings;
- Advises debtors where payments or remittances should be made;
- Maintains an aggressive follow-up program for outstanding bills until collection or other means of settlement are made;
- Provides the fiscal service activity or Peace Corps/Washington with the necessary information and documentation for accounting control and financial reporting. Copies of billings and follow-up correspondence will also be provided to those officials who can assist in effecting collection when deemed necessary.

3.3 Fiscal Services Activity

The fiscal services activity at Peace Corps Washington Post or embassy will be responsible for recording billing and collection transactions in the accounts receivable records and for periodic reporting. Officials will assure that the flow of billing, collection or other settlement documentation to the fiscal services activity is timely and complete. This is particularly important at overseas posts where the billing function is located in the Peace Corps office and the fiscal services activity is placed at the embassy or regional budget and fiscal office. Where the billing function is placed within the fiscal services activity the requirements for the issue, control and settlement of billings for debts and claims as herein provided will be observed.

3.4 Collection Officer

The region, Post or embassy collection officer is responsible for the control and deposit of remittances and collections. Peace Corps procedures require that all remittances and collections be sent or delivered to the collection officer or other designated person who has available proper

safeguard facilities. If another office or employee receives a remittance it should be immediately delivered to the collection officer. The collection officer will:

1. Issue separate receipt for each collection received in hand (FS Form 459, General Receipt, etc.).
2. Deposit collections and remittances for credit to Agency accounts or funds at regional or country depositories on a daily basis, whenever possible.
3. Promptly notify the fiscal services activity and billing office when settlement is received for billings in accordance with local procedure.
4. Maintain records for collections and remittances received and deposited.

3.5 Coordination with Regional U.S. Depository, Country Depository or Embassy

Where debtors are instructed to make payments to a regional U.S. depository, a country depository or to an embassy cashier, copies of bills will be provided by the billing office to permit identification of the accounts to be credited. Arrangements should be made to assure the prompt reporting of collections to the appropriate field or fiscal services activity.

4.0 Billings

4.1 Billing Documents

4.1.1 Bill for Collection - Peace Corps Form No. PC-1566

This preprinted set is used to request payment and record a reimbursable transaction. The original and a copy are forwarded to the debtors and sufficient copies are provided for follow-up and accounting purposes. It will be used as the Agency billing document in all cases except where a letter billing is considered the best instrument. Billings are prepared in English but, if necessary, the reason for the billing may be explained in the language of the country where issued. A bill number is assigned each billing as described below. The complete address of the official or cashier authorized to receive payment is included in the space provided on the form to assure prompt settlement. Overseas the Peace Corps Post or embassy Post office box number would be the preferred address. (Attachment A)

4.1.2 Letter Format

A letter may be used for a billing in those instances where deemed the best method by the billing office or official. When a letter is used, Form PC-1566 is also prepared for internal control purposes, however, it is not issued to the debtor. The letter and the form will cite the same bill number with the notation "LTR" placed after the number on the letter and form. The original of PC-1566 should be attached to the file copy of the letter and a copy of the letter will be attached to the other copies of the form forwarded to other offices of interest. (Attachment B)

4.1.3 Standard Forms - Voucher for Transfer Between Appropriations (SF 1080) and Voucher and Schedule of Withdrawals and Credits (SF 1081)

These forms are used for billing other U.S. Government agencies in accordance with standard practice. A bill number is assigned on these documents and they are distributed in the same manner as regular billing with exception of the cashier when a no-check SF 1080 is prepared. (See Attachments C and D).

4.2 Numbering Billing Documents

4.2.1 Assignment of Bill Numbers

Billing offices are the only offices authorized to assign bill numbers to billing documents. Each billing should have a bill number, regardless of the type of document used. If an activity has more than one billing office or function, a master number control system will be established by the fiscal service activity to assure that the bill numbers assigned by the various billing offices are of a different group.

4.2.2 Sequential Bill Numbers

The following example shows the numbering system which is required for the Agency worldwide operations. The segments of the eight digit bill number, for example, "1-493-1001" consists of:

Billing Office Code	One digit	"1" (or alphabetic prefix)
Region Number or Country Code	One to three digits	"493" (Thailand)
Type of Billing Code	One digit	"1,2, etc." (1 = Reimbursable Services, 2 = Returned Unused Tickets, 3 = Advance Refund Billing and 4 = Other)
Sequential Bill Number	Continuous number	beginning with "001" without regard to fiscal year or type of billing.

When there is more than one billing office at a location, either a numeric or alphabetic prefix may be used as the billing office code for identification and control purposes. A bill number is shown on all documents described in 4.1 above.

4.2.3 Distribution of Billing

Distribution will be made as indicated on Form PC-1566. Normally, the original and a copy will be provided the debtor, a copy for billing office file, a copy for cashier or collection official, a copy for fiscal services activity and extras for follow-up or use as notice of collection or receipt when stamped "Paid."

Transmittal letters or memoranda may be used for sending form billings to debtors outside the Agency when desired as a matter of good form. (Extra copies should be provided to any office or debtor when requested.)

5.0 Control of Billings and Settlement Transactions

For activities where the initial entry and accounting control is by manual means a Register of Billing and/or Collection Transactions, Peace Corps Form No. PC-1565 (Attachment E) will be used. Each billing will be listed on the register to identify the transaction and its disposition. Separate registers will be maintained for accounts receivable and miscellaneous collection transactions or where the volume of entries or numbers of purpose or cost codes would require separate control. The control registers will serve as source documents for periodic reports, required reviews, reconciliation or in support of subsidiary records used for accounting purposes.

For Peace Corps/W offices and service centers where the accounting and initial entry is by automated input (ADP), the Accounting Coding Document, Form 1403, or computer listings may be used in lieu of the register form. Where the Form 1403 is used a duplicate copy should be retained by the billing office to provide for number sequence control with name of debtor and disposition noted in unused columns on the form - listings can also be used in a similar manner.

Miscellaneous collections and monies received without benefit of solicitation by a billing will be listed in detail on a separate register with a full description of or reference to documents describing the payment and/or containing conditions imposed by the donor or payer. Amounts listed on registers maintained for miscellaneous collections or receipts will not be included as accounts receivable items or be shown on such reports. Donations for Peace Corps Partnership Program, host country cash contributions, voluntary refund of advances, etc., are examples of items discussed in this paragraph.

6.0 Validity of Debt - Claim

6.1 General

Billing offices will exercise prudent judgment before issuing a bill. The validity of findings presented to establish a claim against an individual, contractor, supplier, cooperating government sponsors, etc., is to be carefully determined before issuing a bill. For example, the absence of minor documentation, which is needed to resolve a potential claim and which could be received in a short time, would not warrant an immediate billing. Letter or telegram requests should be used to acquire missing information or documentation. However, it must be remembered that the Federal Claims Collection Act of 1966 places the responsibility in the administrative agencies for collecting debts determined to be due the United States which arise as a result of their activities. Thus, when there is activity in the Agency which supports a debt or claim situation, Agency officials will always take appropriate action to assure observance of this directive in acquiring settlement.

6.2 Cooperating Country Sponsor

Before issuing a formal billing the record must clearly establish the indebtedness of a cooperating activity because of noncompliance with Agency regulations or donors' conditions covering the use of assistance financed by appropriated or trust funds. Agency officials should discuss potential claims with senior cooperating activity representatives, with the objective of establishing claims only if they are firm, clear and incontestable.

7.0 Claims Arising From Audit or Review Findings

When an apparent indebtedness of an employee, contractor, etc., is revealed as the result of an audit disallowance or review finding, the debtor is initially requested to provide information or documentation in order to determine whether a valid indebtedness exists. When satisfactory explanations or corrective actions are not provided or do not occur, billings are made promptly after the responsible official determines that a refund is due. Care should be exercised to assure that billings arising from Peace Corps audit and review findings are compatible with the Agency responsibility for implementing audit recommendations, or with any delegation of authority granted by the Director or an Associate Director. Agency officials are responsible for informing senior contract officials that prompt settlement of any claims is an essential part of Peace Corps policy.

8.0 Amounts due From Agency Employees, Volunteers, Experts, etc.

Debts are incurred through the non-official use of Government-owned transportation, communication facilities or living accommodations, loss of funds, loss or damage to government-owned equipment, property, etc. The office having knowledge of an indebtedness will notify the responsible billing office which will issue a separate or summary bill at the end of each month. If an individual's departure from the Post is imminent, a billing is promptly made to assure collection prior to departure.

9.0 Transferred or Terminated Individuals

When an individual has been transferred to another Peace Corps activity responsibility for collection will be transferred to that activity. Copies of billings and follow-up correspondence are sent to the receiving activity to assist in the collection. The receiving activity is responsible for reporting collection or other settlement action to the initial billing activity to assure clearance of the billing. Formal control and reporting for outstanding billings and account receivable items will remain with the initial billing and fiscal services activities.

If an individual terminates his association with Peace Corps before settlement of an indebtedness, the initial billing activity will continue to press for payment by setoff or by direct contact. The indebtedness remains with the initial billing activity and Peace Corps accounts even though it may request collection assistance from the Director, Accounting Division, (M/FM/A) or another Agency. When all possibilities for follow-up have been exhausted the billing activity will apply the other settlement procedures mentioned later or transfer the indebtedness to Peace Corps/Washington for both accounting control and collection.

10.0 Billing Other Debtors

Billing offices will issue a bill or collection letter for amounts due from any other category of debtor. When billing other U.S. Government agencies, Standard Forms 1080 or 1081, will be prepared in a sufficient number to enable the normal distribution of the form. A concise explanation for amounts due Peace Corps will be fully noted on the forms and complete documentation to support the indebtedness or charge will be on file.

11.0 Debts Established by Nonbilling Offices

When a nonbilling office determines that an amount is due Peace Corps, it will notify the appropriate billing office. Sufficient information shall be furnished the Peace Corps/Washington or Post billing office to support the issuance of a bill. This information should include the name and address of the debtor, social security or other number as applicable, a complete account of the reasons for the indebtedness and the amount due. The billing office will establish a debtor file, issue a bill and maintain follow-up until settlement is made. One copy of the billing will be forwarded to the nonbilling office to notify it of the action taken.

12.0 Amounts due From Operational or Program Activity

Reviews of the operational or program activity may disclose situations where amounts are due from contractors or others arising from a breach or violation of the procurement, utilization or related substantive aspects of performance under a Peace Corps agreement. Field officials and office heads will assure that findings covering actions requiring refund are subjected to a full evaluation and analysis prior to issuance of any billing. Complete documentation and full facts will be provided to the responsible billing office.

13.0 Collection Procedures

Responsible officials shall apply the guidelines set forth in this Peace Corps chapter for the handling of billings and settlement of claims of Peace Corps. Additional guidance, if necessary, may be obtained from Director, Accounting Division, (M/FM/A).

14.0 Limitations

The criteria and actions described in this chapter shall not apply to any claim in which there is involved:

- An indication of fraud;
- The presentation of a false claim;
- Misrepresentation on the part of the debtor or any other party having an interest in the claim; or,
- Conduct in violation of the antitrust laws.

Only the Comptroller General or his designee may effect compromise of a claim that arises out of an exception made by the GAO in the account of an accountable officer.

The advice of the Agency General Counsel should be sought before taking action on claims if two or more debtors are jointly and severally liable.

Usually, M/FM/A will handle actions described in above, however, when received in the field for processing other than from M/FM/A, M/FM/A/will be consulted for guidance and processing procedures.

15.0 Collection Actions

15.1 Demands for Payment

Aggressive action, on a timely basis with effective follow-up, shall be taken by the appropriate office heads or field officials to collect all claims of the United States for money or property arising out of Peace Corps activities or referred to it in accordance with the joint regulations (4 CFR 101-103).

Appropriate written demands shall be made to a debtor of the U.S. in terms which inform him of the consequences of his failure to cooperate.

15.2 Frequency

Normally, three written demands at 30-day intervals will be made unless the response to the first or second demand indicates that further demand would be futile or prompt suit or attachment is required in anticipation of the debtor's departing from the jurisdiction, his removal or transfer of assets or the running of the statute of limitations. Personal interviews will be undertaken with debtors when this is feasible. There should be no undue time lag in responding to any communication received from a debtor. Follow-up documentation will show the data to be used for accounting processing, financial reporting and to show the current status of the respective accounts receivable involved.

16.0 Review and Follow-up Action

16.1 Suspense File

The billing office will maintain a suspense file of all outstanding bills. The file shall be reviewed monthly to assure that aggressive collection action is taken.

16.2 Follow-up Techniques

Controls should require that bills outstanding 90 days or more are reported to the office head or field official for determination as to the course of action to be taken. When follow-up shows it is not feasible to continue billing a debtor, a summary of the action taken should be submitted to the above officials or M/FM/A, with a recommendation for disposition. When appropriate, the billing office may recommend that the indebtedness be reviewed and reported to the GAO as uncollectible (debts of \$200.00 or more). Claims against cooperating sponsors which are not settled promptly should be referred to the responsible official for his disposition.

Other actions available include but are not limited to:

- collection by setoff;
- personal interviews with the debtor, when this is feasible;
- contacting the debtor's employing Agency when a debtor is employed by the Federal Government or is a member of the military establishment, and collection by setoff cannot be accomplished in accordance with 5 U.S.C. 5514.
- consideration of suspension of providing advances, revocation of vendor licenses or other privileges heretofore granted the debtor by Peace Corps or any Federal Agency, and
- liquidation of collateral held by Peace Corps or any Federal Agency.

16.3 Collection by Setoff Against Employees, Volunteers, Experts, and Others

Collection by setoff from individuals receiving pay or compensation from PC or other federal agencies shall be effected over a period not greater than the period during which such pay or compensation is to be received. Appropriate use should be made of the cooperative efforts of other agencies in effecting collections by setoff when necessary. Setoffs against balances in the Volunteer stipend or readjustment allowance for billings to Volunteers and Volunteer trainees shall be accomplished pursuant to these and any other special instructions of PC/W. Any indebtedness of a Volunteer which cannot be collected within 60 days from date of initial demand for repayment of debt shall be forwarded to M/FM/A, accompanied by necessary documentation. For overseas Volunteers the time variance for reporting a delinquent debt to PC/W may depend on transmission and other conditions prevalent for the area, but it should be done as expeditiously as possible.

16.4 Special Consideration for Employees

An employee indebtedness should be settled promptly. Debts of employees currently on the rolls should not at any time be considered as uncollectible. Billing office procedures require submission of individual reports on any indebtedness of an employee outstanding more than 60 days for review by the respective office head or field official. As a rule, setoff action will be taken if the debt is outstanding more than 90 days from date of initial demand. This action does not preclude an employee from appealing the claim.

When a U.S. National employee separates or transfers to Peace Corps/W and has not replied to collection notices his file is sent by the field director or responsible billing office to M/FM/A for setoff or other settlement action. Follow-up for amounts due from other categories of terminated individuals will be by the initiating billing office or responsible Agency official. In the latter case, if payment is not made by such persons within 60 days after departure the director of the releasing activity effects settlement in accordance with instructions of paragraphs 24 or 25. When the indebted individual has been transferred to another government Agency a formal request for payment will be made by the responsible official or billing office to the debtor through administrative channels requesting collection by setoff.

17.0 Collection in Installments

Claims should be collected in full in one lump sum whenever this is possible. However, if the debtor is financially unable to pay the indebtedness in one lump sum, payment may be accepted in regular installments. The size and frequency of such installment payments should bear a reasonable relation to the size of the debt and the debtor's ability to pay. If possible the installment payments should be sufficient in size and frequency to liquidate the claim in not more than 3 years. Whenever a seemingly excessive payment period is requested by the debtor, consideration should be given to the requirement for a statement of financial status to assist in determining if his proposal is reasonable. Installment payments of less than \$10 per month should be accepted in only the most unusual circumstances. When an unsecured claim is being held for administrative collection, an attempt should be made to obtain an executed confess judgment note from a debtor when the total amount of the deferred installments will exceed \$750 (see Department of Justice Form USA 70a). Such notes may be sought when an unsecured obligation of a lesser amount is involved. Security for deferred payments, other than a confess judgment note, may be accepted in appropriate cases. Installment payments may be accepted notwithstanding the refusal of a debtor to execute a confess judgment note or to give other security at the agency's option.

In requesting M/FM/A for assistance in collecting an amount due from an employee, field officials may recommend a reasonable period of time for effecting recovery by deduction from the employee's pay. Fiscal services activities will observe that the amounts deducted do not exceed two-thirds of the bi-weekly gross pay from which the deductions are made, except that, to assure full collection before anticipated termination of the employment with the Agency, amounts in excess of two-thirds are deducted, if required. However, the responsible official must assure that deductions from pay of employees are in reasonable amounts and do not result in undue hardship to the employee. If the individual separates from service before the balance of the debt is liquidated, Standard Form 2805, Request for Recovery of Debt Due the United States, is transmitted to the U.S. Office of Personnel Management to raise a charge against the debtor's retirement account.

18.0 Compromise of Claim - Billed Amount

18.1 Grounds

If the collection actions described above do not result in payment, compromise should be invited on claims of \$20,000 or less exclusive of interest, if it can be ascertained that Peace Corps cannot collect the full amount because of such factors as:

- The debtor's inability to pay considering such factors as age, health present and potential income, inheritance prospects, and the possibility that assets have been concealed or transferred by the debtor;
- The debtor's refusal to pay the full amount and the government's inability to enforce collection in full within a reasonable time by enforced collection proceedings;
- A real doubt as to the Government's ability to prove its case in court because of legal issues involved or a bona fide dispute as to the facts; or
- The cost of collecting or litigating the claim does not justify the enforced collection of the full amount.

18.2 Amount

The compromise amount should bear a reasonable relation to the amount which can be recovered by enforced collection procedures, having regard for the exemptions available to the debtor and the time which collection will take. Only a lumpsum one time payment will be accepted - no installment payments are permitted in a compromise situation.

19.0 Suspension of Collection Action

Collection action may be suspended temporarily on a claim when: (a) the debtor cannot be located after diligent effort and there is reason to believe that future collection action may be sufficiently productive to justify periodic review and action on the claim having consideration for its size and the amount which may be realized thereon. Every reasonable effort should be made to locate missing debtors sufficiently in advance of the bar of the applicable statute of limitations to permit the timely filing of suit if such action is warranted; (b) the debtor owns no substantial equity in realty and is unable to make payment or effect a compromise at the time but his future prospects justify retentions of the claim for periodic review and action and (i) the applicable statute of limitations has been tolled or started running anew or (ii) future collection action can be effected by setoff notwithstanding the statute of limitations.

20.0 Termination of Collection Action

Collection action may be terminated and the case closed under the following conditions:

- It becomes clear that Peace Corps cannot collect or enforce collection of any significant amount from the debtor taking into consideration the judicial remedies available, the debtor's future financial prospects, and the exemptions available to the debtor under State and Federal law.
- The debtor cannot be located through the various means available within the local government or commercial activities, there is no security remaining to be liquidated and the prospect of collecting by offset, notwithstanding the bar of the statute of limitations, is too remote to justify retention of the claim.
- It appears that the cost of collection action will exceed the amount recovered and the debt is reasonably insignificant.

Collection action should be terminated under the following conditions:

- The Office of the General Counsel advises in writing that the claim is legally without merit;
- The evidence necessary to prove the claim cannot be produced or the necessary witnesses are unavailable and efforts to induce voluntary payment are unsuccessful.

21.0 Waiver of Claims for Erroneous Payments of Pay and Allowances

Waiver consideration under Title 4, CFR, Parts 91, 92 and 93, covers those situations arising when requests for waiver of claims for erroneous over- payments of pay and allowances are

received. Instructions for processing requests for waiver are contained in Peace Corps Manual Section 778.

22.0 Control and Accounting for Collections and Receipts

22.1 Cash or Other Remittance

Procedures will be established to assure the safeguarding and prompt depositing by the collection officer of cash, checks or money orders received for billings issued, the voluntary remittance of advances, donations, etc. Whenever possible collection shall be deposited daily in a regional or overseas Treasury depository. To facilitate and assure prompt deposit and credit, it is imperative that the accounting data necessary to identify the transaction in the Agency financial records be shown on billing and deposit documents. Where a collection cannot be readily identified, the collection officer will immediately request the billing office or the fiscal service activity to furnish the accounting data. When reference to a check is necessary a copy will be furnished and the original safeguarded or deposited for credit to a suspense account. Receipts will be issued in all cases when cash is received. Collection action will be noted on the collection/settlement section on the Form PC-1565 or ADP listing, as applicable.

22.2 Collections Effected by Standard Forms 1080-1081 - Interagency

Upon receipt of paid copies from the disbursing officer in whose account the credit is recorded, the fiscal services activity annotates the copies retained for posting that collection has been made, posts the billing control register and accounts receivable ledger and forwards an annotated copy to the billing office.

22.3. Collections Received After Write-off of Billing

When collections are received after removal of bill and receivable previously determined to be uncollectible in accordance with administrative action prescribed herein, the fiscal activity attempts to identify the remittance from information in its inactive files or requests such information from the billing office or other likely source. After deposit of the funds and receipt of a confirmed certificate of deposit or receipt, the fiscal activity or billing office notes on its record copy the amount collected and the certificate of deposit number. The transaction is identified as a simultaneous billing and collection in the accounts receivable or advance accounts and reported accordingly.

23.0 Compromise, Suspension or Termination of Debt/claim

The Federal Claims Collection Act gives the Director of Peace Corps or his designee the authority to compromise, suspend or terminate collection action on any debt or claim established by the Agency which does not exceed \$20,000, exclusive of interest. Implementation of this authority under joint regulations and standards within PC is stated below for field directors and others in PC/W. Billing actions requiring further processing at PC/W will be forwarded to the Director, Accounting Division, M/FM/A. Field activities will be advised of final actions taken on claims referred by them to PC/W.

24.0 Field Activities

24.1 Uncollectible Billings Not in Excess of \$100

If collection has not been made after the prescribed number of demands for payment, the claim will be referred by memorandum to the Field Director for approval of recommendation for compromise, suspension or termination of collection action. Compromise should only be solicited in those instances where it would be deemed feasible for amounts of less than \$100. The claim file should contain documentation showing the debtor's name; the amount of the debt; the actions taken to effect collection and a brief summary justifying the recommendation. A copy of the memorandum will be sent to M/FM/A after recommendation is approved by the Field Director. The billing file will be maintained at the field activity as the permanent record for those billings settled by the above action. Litigation will not be instituted without permission from the Peace Corps General Counsel.

24.2 Uncollectible Billings in Excess of \$100

Such billings will be forwarded to PC/W addressed to the Director, M/FM/A, together with the complete file containing all documentation along with a memorandum containing the Field Director's recommendation. Appropriate action will be taken to have the servicing fiscal activity transfer or identify the amount to the PC/W accounts receivable record.

25.0 Peace Corps/Washington

25.1 Billings for Debts or Claims of Less Than \$200

If prescribed collection actions do not result in payment, M/FM/A will direct the suspension or termination, upon recommendation of the billing office or reviewing official. Compromise action will be considered only if deemed feasible after review of the file. The action taken will be documented in a memorandum for the billing file with a copy to the appropriate officials. A copy of the memorandum, showing final action taken on the billing will be forwarded to the activity where the debt or claim action originated.

25.2 Billings for Debts or Claims of \$200 or More but Not Exceeding \$20,000

If the prescribed collection action, including consideration of inviting compromise, fails to effect collection, M/FM/A shall refer all pertinent documentation and make a recommendation for inviting compromise, suspension or termination of collection action in a covering memorandum, forwarded through the Office of the General Counsel, to the Associate Director for Management. The Associate Director for Management shall approve or disapprove the recommended action or otherwise dispose of the matter in accordance with the guidelines set forth in this Manual Section. M/FM/A will implement the decision of the Associate Director for Management. In unusual cases, where doubt exists as to whether collection action should be compromised, suspended or terminated, the Associate Director for Management, with the concurrence of the General Counsel, may seek the informal advice of the GAO.

26.0 Referral of Claims to General Accounting Office or Department of Justice

26.1 To GAO

The general rule is that all debts of \$200 or more due the United States which are within the scope of the joint standards and which cannot be collected, compromised, suspended or terminated under the joint standards, shall be referred by M/FM/A to the Transportation and Claims Division, GAO. This rule is subject to the exceptions listed in 4 GAO 56.3. The form and content of reports to be submitted to GAO are detailed in 4 GAO 56.5 and those instructions will be adhered to in every detail by the PC/W reporting office. Copies of the file, records and exhibits on claims as referred to the GAO or the Department of Justice (\$400 or more) will be retained by M/FM/A. Debt or claim cases of less than \$200 should not be referred to the GAO, except when a series of small debts involving the same debtor aggregates \$200 or more. Referral of such claim cases to GAO will always be with the concurrence of the Office of the General Counsel.

26.2 To Department of Justice

When litigation by the Government is indicated, the General Counsel may refer a claim of \$400 or more with all pertinent documentation to the Department of Justice for consideration of litigation. Such referral will be in accordance with 4 CFR, Part 105.

27.0 Capacity of Official on Acting Basis

The specific duties and responsibilities assigned to named Peace Corps officials in this directive may be performed by persons designated to fill those offices on an acting basis.

28.0 Reporting and Reconciliation

Monthly or quarterly reporting of billing and collections for debts and claims, as well as miscellaneous collections, will be accomplished by Fiscal servicing activities as required by Agency financial accounting and reporting directives. This reporting allows several important functions to occur - reconciliations, update of general ledger accounts and general review of billing and collection activities.

29.0 Overseas Posts

For overseas posts the PC Form 212-D, Quarterly Report of Accounts Payable, Prepayments and Accounts Receivable, will be submitted as required in Agency reporting procedures. Each June 30 and December 31, a copy of the Peace Corps Form PC-487, Register of Billing and/or Collection Transactions, showing open items will be attached to the PC Form 212-D to provide Peace Corps/W with the detail of transactions for the preceding 6 months. Fiscal service activities will assure that open items - unpaid and unsettled billings - shown on the register copies, reconcile with totals shown in the Accounts Receivable column on PC Form 212-D.

30.0 PC/W Offices and Service Centers

Summary reporting for these activities will be accomplished by the automated accounting system along with the prescribed editing and reconciliation procedures.

31.0 Effective Date

This Manual Section takes effect on the date of issuance.