



BUREAU OF THE
Fiscal Service

U.S. DEPARTMENT OF THE TREASURY

TOP Tips for Increasing Your Agency's Delinquent Debt Collections

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August 17, 2015

Agenda

- Fiscal Service Delinquent Debt Collections
- Debt Collection Legal Authorities
- Treasury Offset Program Basics
- The New Enhanced TOP
- TOP's 5 Tips to Increase Your Agency's Delinquent Debt Collections
- TOP Payment Initiatives

Fiscal Service Delinquent Debt Collections

- The Bureau of the Fiscal Service (Fiscal Service) collects delinquent debts for federal and state agencies (non-tax and tax) primarily through two programs: the Treasury Offset Program (TOP) and the Cross-Servicing Program.
- Fiscal Service has collected a total of **\$6.72** billion in FY 2015 (as of June 30)
 - Treasury Offset Program - **\$6.54** billion
 - Cross-Servicing Program - **\$182.7** million

Debt Collection Legal Authorities

- The Federal Government's administrative debt collection activities are governed by a number of Federal laws, including:
 - Federal Claims Collection Act of 1966, Debt Collection Act of 1982, Debt Collection Improvement Act of 1996, as amended, and other laws, codified primarily in 5 U.S.C. § 5514 and 31 U.S.C. § 3701 et seq
 - Internal Revenue Code, Title 26 of the United States Code
 - Bankruptcy Code, Title 11 of the United States Code
 - Privacy Act of 1974, 5 U.S.C. § 552a
 - Other statutes that apply to specific agencies, debt types or payment types
 - Treasury regulations, OMB policies, agency-specific regulations



Treasury Offset Program (TOP) Basics



Treasury Offset Program (TOP)

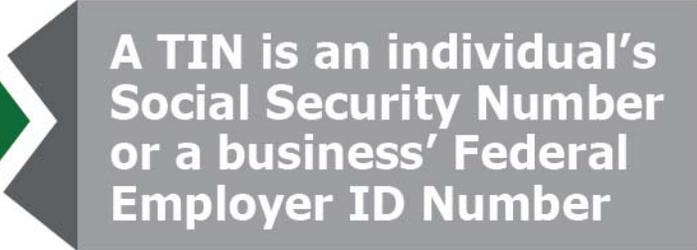
- TOP is a centralized offset program administered by the U.S. Department of the Treasury, Bureau of the Fiscal Service, to collect delinquent debts owed to federal agencies and states.
- Creditor agencies submit eligible debts to TOP and certify that debts are valid, delinquent, and legally enforceable, and that all due process prerequisites have been met.
- Due process prerequisites include:
 - 60-day prior notice to the debtor
 - Opportunity to dispute the debt
- Debts should be referred to TOP at 120 days delinquent.
- TOP sends notices to debtors when payments are offset. For recurring payments, TOP sends warning notices.

How Does TOP Work?

- TOP compares payee names and Taxpayer Identification Numbers (TINs) on certified payments to names and TINs of debtors in TOP's delinquent debtor database.
- When a match occurs on both, TOP intercepts, or offsets, all or part of a payee's eligible federal or state payment.
- Fiscal Service notifies both the payee and the payment agency about the offset.

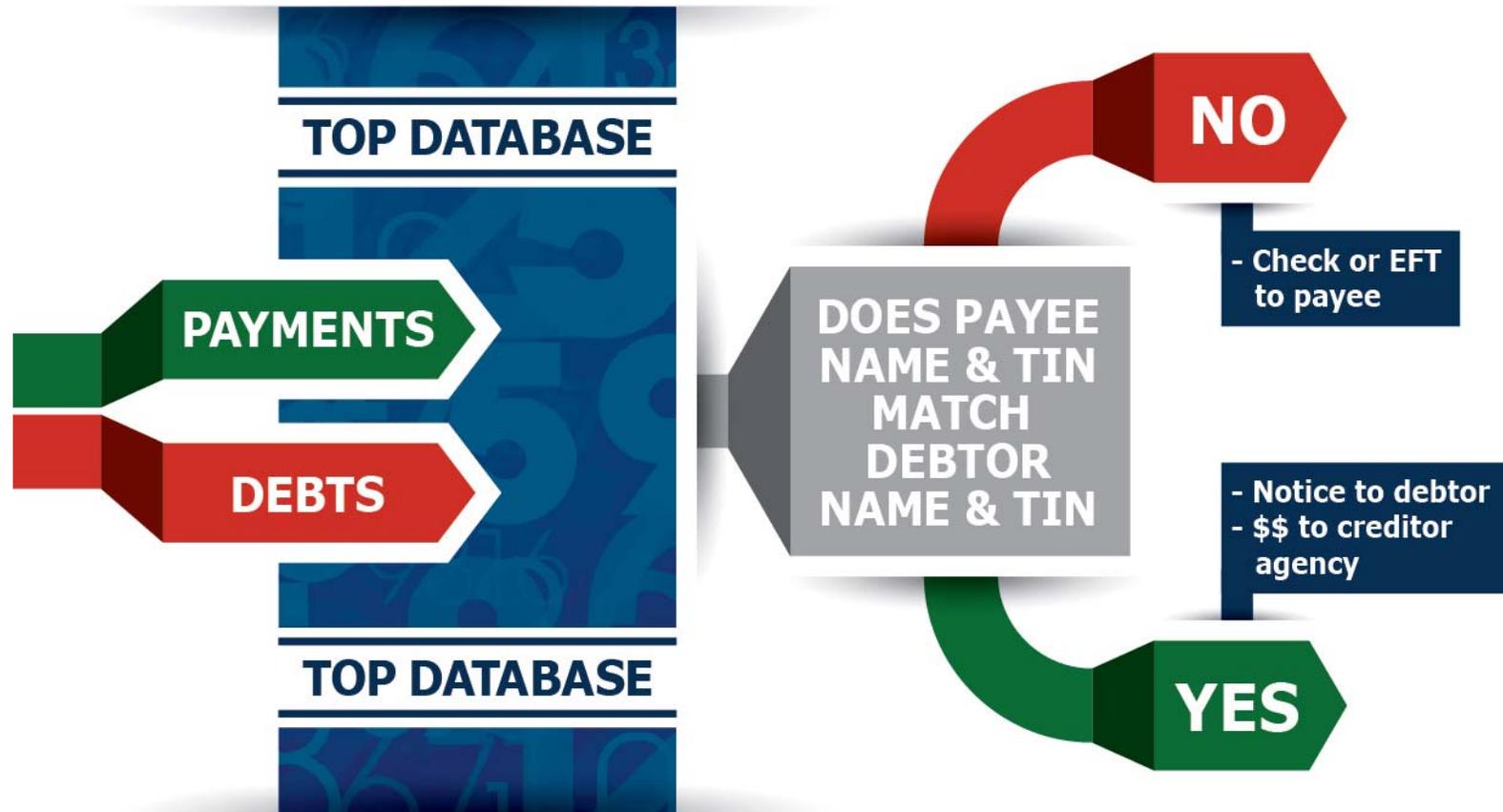


WHAT IS A TIN?



A TIN is an individual's Social Security Number or a business' Federal Employer ID Number

The TOP Process





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The New Enhanced TOP System



The New Enhanced TOP System

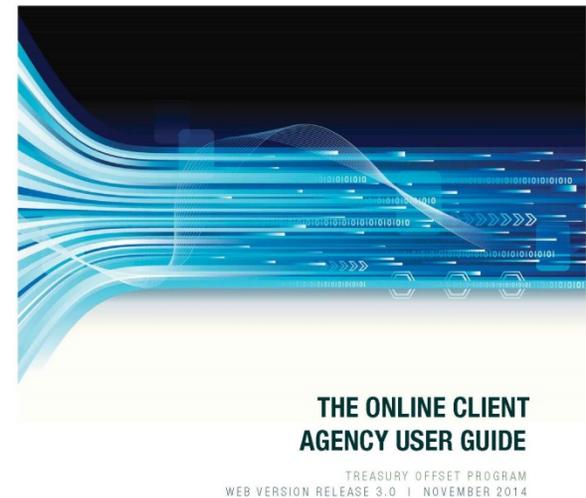
The Bureau of the Fiscal Service launched the New Enhanced TOP System on **November 10, 2014**.

Benefits of the New System

- Increased performance when processing large payment and debt files
- Improved matching logic to increase matching effectiveness
- Added flexibility to change business rules quickly and perform “what if” simulations
- Added flexibility to add new payment streams and processes quickly
- Added flexibility to add new debt types without code changes

Accessing the TOP Web Client

- **Browsers:** Firefox or Chrome web browsers should be used for the enhanced TOP Web Client.
- **Access:** Users should access TOP at <https://topng.treasury.gov>.
- **Help:** *The Online Client Agency User Guide* (Rev. Nov 2014) is available within TOP by clicking on “Help” in the top left corner of the screen.



Agency Debt Load Warning and Error Codes

- The enhanced TOP's new Agency Debt Load Warning and Error Codes (Unprocessable Codes) were released to users in Technical Bulletin 2014-12 on October 27, 2014.



TOP Agency Debt Load Warning and Error Codes (Unprocessable Codes)

Legacy Codes	Description (Legacy)	New TOP Codes	Description (Enhanced TOP)
01	Agency ID cannot be blank	01	Creditor Agency not specified
02	Agency Site ID cannot be blank	02	Creditor Agency Site cannot be blank
03	Invalid Debt Number or Debt Number not specified	03	Invalid Debt Number or Debt Number not specified
04	Debt Type does not exist on Agency-Debt	04	Debt Type is invalid, does not exist for Creditor
05	Invalid TIN number or TIN not specified	05	Invalid TIN
06	Delinquent amount not numeric or	06	Initial delinquent debt amount less than referral
07	Invalid Judgment Debt value	07	Judgment value is invalid
08	Invalid date format for Delinquent Date or not specified	08	Delinquency Date is invalid
09	Invalid Business/Individual Indicator	09	Invalid Business/Individual indicator
10	Debtor Last name cannot be blank	10	Last Name cannot be blank
11	Debtor address line1 cannot be blank	11	Debtor Address Line 1 cannot be blank or less than
12	Debtor city cannot be blank	12	Debtor City may contain only the following special letters: quote, - / .
13	Invalid Debtor US State Code	13	Debtor State does not exist for US country code.



TOP's 5 Tips for Increasing Your Agency's Delinquent Debt Collection





TOP Tip #1

- **Generate Partial Match (AKA Debtor Locator) Reports Via the TOP Web Client on a Regular Basis**
 - *What is a Partial Match?* It's when a payee's Taxpayer Identification Number (TIN) matches the debtor's TIN, but the payee's last name or business name did not match the debtor's last name or business name.
 - View the data on the Partial Match Report to determine if the name on the payment record is associated with the matched debtor
 - If it is valid, add a debtor alias submitting a batch record (A4) or through the Manage Debtor screen

Sample Partial Match Report in TOP

Partial Match			
Report Date	Creditor Agency	Creditor Agency Site	Total Partial Match Count
07/22/2015	09 - United States Department of Justice	United States Department of Justice 8	

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Creditor Agency Site	Match Date	Payment Date	Debtor TIN	Debt Account ID	Debtor First Name	Debtor Last Name	TOP Name Control	Payee Name	Payee Address
20 - United States Department of Justice	2015-06-01	2015-06-01	333333330	DE-0000001	BRER	LITTLE	LITT	BRER LITL	3103 PINEVIEW DR RENO, NV 89511
20 - United States Department of Justice	2015-06-02	2015-06-01	000000030	DE-0000001	BRER	LITTLE	LITT	EOMER TSE MOUSE	E. SUNRISE ROCKY 31053 SHELL PINEVIEW CENTREVILLE, VA 20121
20 - United States Department of Justice	2015-06-01	2015-06-01	000000096	DC-0000005	DONALD	ROBIN	ROBI	DONALD ROBEN	49 SUNFLOWER CT BURLINGTON, MA 01803
20 - United States Department of Justice	2015-06-01	2015-06-01	888990081	DC-0000006	RUBIN	BEAGLE	BEAG	ALICE O MCQUACK	7429 WELLINGTON SE OKLAHOMA CITY, OK 73135
20 - United States Department of Justice	2015-06-02	2015-06-01	000000081	DC-0000006	RUBIN	BEAGLE	BEAG	FARAMIR N GONDOR	7429 27CE TER N ST PETERSBURG, FL 33710
20 - United States Department of Justice	2015-06-02	2015-06-01	888990006	T-888990006	ANIMAL	DINOSAUR	DINO	MUFASA O HORNBLow JR	8886 ROCKY LANE GREENSBORO, NC 27410

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Creditor Agency Site	Match Date	Payment Date	Debtor TIN	Debt Account ID	Debtor First Name	Debtor Last Name	TOP Name Control	Payee Name	Payee Address
20 - United States Department of Justice	2015-06-02	2015-06-01	888990007	T-888990007	ANIMAL	FROG	FROG	SMAUG N MCQUACK	888 VICTORIA RD PITTSBURGH, PA 15228
20 - United States Department of Justice	2015-06-01	2015-06-01	888990010	T-888990010	ANIMAL	LEMUR	LEMU	PIPPIN I MCQUACK	8885 CHERRY 2ND ST LAS VEGAS, NV 89131

Statistics on Partial Matches (Non-Tax)

- FY 2014 – 1,797,397 Partial Matches at \$12.5 billion
- FY 2015 – 3,677,986 Partial Matches at \$68.7 billion (as of July 31)
 - Social Security (recurring)
 - Tax Refunds



TOP Tip #2

- Use the TOP Web Client to Retrieve Statistics on All Debt Update Batch File Unprocessable Records.
 - Review rejected records from TOP using the Batch Process Tracking screen and the Unprocessable Batch file
 - Correct the rejected records, re-submit them on the subsequent batch file (or via Web Client)

Sample Batch File of Unprocessable Records

View Batch Process Details

Debt Load/Update File Information

Agency ID/Name	File Name	Batch Control Number
33 - Bureau of Fiscal Service	FDMP.DLTOP.S04.C201530.AG33.D150723	20150723

Processing Status

Processing Date	Processing Schedule Start Time	Processing Schedule End Time	Processing Duration Time	Status
07/23/2015	05:37 AM	05:37 AM	7 second(s) 295 millisecond(s)	Complete

Record Processing Stats

Trailer Record Count	Trailer Record Amount	Actual Record Count	Actual Record Amount	Processed Record Count	Processed Record Amount
3,044	\$2,967,590.66	3,044	\$2,967,590.66	2,948	\$2,684,135.12

Debt Activity Details

(*Miscellaneous count is the processed count of actions other than add debts/debtors)

Debts Added Count	Debts Added Amount	Debts Closed Or Inactivated Count	Debts Closed Or Inactivated Amount	Miscellaneous Record Count
93	\$948,166.47	103	\$2,546,703.50	2,752

Unprocessable Summary

Unprocessable File Name	Total Unprocessed Record Count	Total Unprocessed Record Amount
FDMP.IPWEEKLY.C201530.TOP-UNP.AG33S04	96	\$283,455.54

Sample Batch File of Unprocessable Records

Unprocessable Details

Error Frequency	Error Code	Error Description
5	11	Debtor Address Line 1 cannot be blank or less than 5 characters
1	1I	Debtor already exists for Debt Account specified
8	1J	TIN required for input record
5	2D	Missing Debtor City for address
5	2G	Missing Debtor State for US address
5	2H	Missing Debtor Zip for US address
12	50	Debt Account ID already exists for Agency/Agency site
58	58	Debt Account ID cannot be found for Agency/Agency Site
16	67	Debt balance cannot be less than zero
1	77	Bypass already exists for debtor

Warning Details

Warning Frequency	Warning Code	Warning Description
104	2I	No update processed. Verify record type and action code
1	W4	Existing Debtor Alias has been updated
4	W6	Decrease amount greater than debt balance. Debt balance reduced to zero
3	W8	Address has been updated for Debt/Debtor

Cancel



TOP Tip #3

- Request a Debtor Address From the IRS Via Batch File or the TOP Web Client
 - For debtors without addresses or with outdated addresses
 - TOP sends the request to IRS once a month
 - If available, IRS provides file with updated information
 - Note: Agencies must have IRS Safeguards Security Report in place prior to request.

Sample IRS Debtor Address Request

IRS Debtor Address Request

[Add Debtor Address Request](#)

IRS Debtor Address Requests

Show entries Search:

Status ▲	Agency Id ▲	Agency Site Id ▲	Debtor Tin ⇅	Debtor Last Name ⇅	Create Date ⇅	Sent Date ⇅	Received Date ⇅	
Pending	26	DV	123456123	MOUSE	03/10/2015	03/10/2015	03/13/2015	View
Pending	26	DV	987654567	BEAR	03/10/2015	03/10/2015	03/13/2015	View
Pending	A6	01	546372635	DUCK	03/10/2015	03/10/2015	03/13/2015	View
Received	06	BB	111112236	Bebe	03/17/2015	03/17/2015	03/17/2015	View
Received	10	05	363528923	Sawn	03/17/2015	03/17/2015	03/17/2015	View
Received	18	02	879639785	Smith	03/17/2015	03/17/2015	03/17/2015	View
Received	18	AA	767676767	Hook	03/17/2015	03/17/2015	03/17/2015	View
Received	18	AA	897836987	Smith	03/17/2015	03/17/2015	03/17/2015	View

Showing 1 to 8 of 8 entries ◀ Previous Next ▶

Generate Debtor Address Request Report

[Download Report](#)

[Cancel](#)



TOP Tip #4

- **Generate the Potential Salary Match Report Via the TOP Web Client on a Regular Basis**
 - Report provides list of debtors that matched against federal salary payments, but were not offset due to bypasses
 - Use Report to authorize future salary payments
 - Note: Creditor Agency must provide opportunity for hearing to federal employee debtors

Sample Potential Salary Match Report

Potential Salary Match Report

Report Date Range	Creditor Agency	Creditor Agency Site	Total Potential Salary Count
01/01/2010 - 07/23/2015	27 - Social Security Administration	ALL	2

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Creditor Agency Site	Debtor TIN	Debt Account ID	Payee Name
A1	777010003	AG777001003-S0003	SNAIL GARY
A1	777010004	AG777001004-S0004	VILLIAN PLANKTON

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Federal Salary Payment Matches

- TOP matches with:
 - DFAS
 - GSA
 - NFC
 - DOL
 - USPS
- Total Federal Salary Collections
 - FY 2014 - 40,885 collections totaling \$7.8 million
 - FY 2015 - 29,770 collections totaling \$5.6 million (as of July 31)



TOP Tip #5

- Review Your Agency's Profile in the TOP Web Client
 - Correct payment source bypasses
 - Up to date contact information
 - Configurations set-up correctly
 - Offset Notices require correct Creditor Agency contact information for the debtor

Sample Creditor Agency Profile Form

Creditor Agency Profile

Agency ID/Name: **TN/CREDITOR AGENCY TEST**

Agency Location Code: **ABC12345**

[Update Participation](#)

TOP Participation: **Yes**

Participation Start Date: **08/01/2015**

Participation End Date: **08/01/2020**

Agency Address

[Update Address](#)

Address Line 1: **123 FUTURE RD**

City: **SUN RISE**

State: **MA-Massachusetts** ZIP: **01234** Country: **US**

Agency Contact Information

[Update Contact](#)

Primary Contact: **Tester One** Primary Contact Email: **testerone@fms.treas.gov**

Primary Contact Phone: **(202) 123-4567**

Debt Types

Debt Type Category	Debt Type	Description	Priority	Expiration
Federal Non-Tax	06	Federal Agency Debt	3	N/A

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[Manage Creditor Agency Debt Types](#)



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TOP Payment Initiatives



TOP Payment Initiatives

- SSA Prior Month Accruals
- Justification for Miscellaneous payments marked not eligible for TOP
- Offset Feasibility study for ITS.gov, ASAP, and US Debit Card Payments in FY 2016
- Revisit TIN Policy

TOP Contact Information



CONTACT TOP WITH YOUR REQUESTS AND SUGGESTIONS – WE WELCOME THESE!
Please use the emails below to contact the appropriate TOP Team.

- For federal agency general concerns/requests:
TOP Federal Liaisons - federaloffsets@fiscal.treasury.gov
- For production and operational concerns/requests:
TOP Operations Team - DMSE.Ops@fiscal.treasury.gov