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# Treasury Financial Manual

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## Chapter 3000

### COLLECTING NONTAX, ADMINISTRATIVE RECEIVABLES THROUGH THE TREASURY CENTRALIZED RECEIVABLES SERVICE

This chapter describes how the U.S. Department of the Treasury's (Treasury) Bureau of the Fiscal Service (Fiscal Service) provides nontax, administrative debt collection services through the Centralized Receivables Service (CRS) to federal agencies. It describes:

- Federal agencies' responsibilities when collecting nontax, administrative debt through CRS, and
- Fiscal Service's responsibilities to provide nontax, administrative debt collection services for federal agencies.

#### Section 3010—Background

CRS is a Fiscal Service program managed by its Debt Management Services (DMS) area. CRS provides servicing for federal nontax, administrative debt from the point at which a creditor agency establishes a debt until the debt is paid, otherwise resolved, or referred to the Cross-Servicing program for further action.

CRS works alongside existing revenue collection systems to assist the creditor agency with maximizing collections and accurately reconciling accounting data.

CRS refers delinquent debt to the Cross-Servicing program and certifies the delinquent debt on behalf of the creditor agency, pursuant to [TFM Volume I, Part 3, Chapter 5000](#).

#### Section 3015—Scope

The provisions of this TFM chapter:

- Apply to all creditor agencies that are authorized to transfer debts to CRS per [31 U.S.C. § 3711\(g\)](#), and
- Govern the collection of debts that have been transferred to CRS per [31 U.S.C. § 3711\(g\)](#).

#### Section 3020—Terms and Definitions

For terms and definitions related to this chapter, please view the [TFM Glossary](#).

## **Section 3025—Authority**

### **3025.10—Authority to Collect and Compromise**

Fiscal Service offers CRS to federal agencies pursuant to its statutory authorities to service, collect, or compromise transferred debts, or to suspend or terminate collection action thereon. See [31 U.S.C. § 3711\(g\)](#).

### **3025.20 —Designation of Financial Agent**

Pursuant to [12 U.S.C. § 90](#) and [12 U.S.C. § 265](#) and other authorities, Fiscal Service has designated a financial institution as a financial agent of the United States, to assist Fiscal Service with the operation management of the CRS.

## **Section 3030—The Creditor Agency’s Role and Responsibilities**

**3030.10—Unless otherwise provided in the APA, the Creditor Agency will be responsible to do the following:**

- Identify the types of debt CRS will service (the “Receivables”), each time the creditor agency adds new Program Areas to CRS,
- Complete a CRS Agency Profile Form each time the creditor agency adds a new Program Area, which:
  - identifies a debt,
  - details how CRS will service those debts, and
  - includes contact information for creditor agency and Program Area personnel,
- Communicate to CRS all its financial, legal, operational and policy requirements for collection of a debt prior to authorizing CRS to collect a debt,
- Work with Fiscal Service and the Financial Agent to establish systems access or interfaces necessary for securely communicating information about a debt, including information about collection history, accounting entries and any other information affecting collection,
- Provide information requested by Fiscal Service to assist Fiscal Service in evaluating CRS as a program, including the creditor agency’s participation in the program,
- Delegate to the Fiscal Service the authority equal to that of the creditor agency’s Chief Financial Officer (or equivalent officer) to allow the Fiscal Service to take all appropriate action to collect a debt, including, but not limited to:

- contacting those responsible for paying a debt by telephone,
  - sending invoices and collection letters,
  - entering into payment and compromise agreements,
  - suspending collection action, and
  - referring delinquent debt to the Cross-Servicing and Treasury Offset Programs, including making certifications required by [TFM Volume I, Part 3, Chapter 5000](#).
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- Stop all collection efforts and other communications relating to a debt with the debtor after transferring a debt to CRS,
  - Provide accurate and timely data regarding a debt in the appropriate format and methods as established by Fiscal Service,
  - Maintain all records in its possession regarding a debt in accordance with applicable laws and records retention schedules,
  - Respond timely to requests for information, including proof of debt, or for resolution of debt disputes from Fiscal Service or Financial Agent personnel servicing a debt,
  - Support, to the extent possible, electronic invoicing and collections,
  - Designate, in writing, personnel authorized to have access to CRS systems and abide by the requirements for access to CRS Systems in accordance with the CRS Security Access Request Form and Rules of Behavior,
  - Continue agency accounting practices, including accounting for collections through existing Fiscal Service collection and reporting channels such as Collections Information Repository, submitting monthly and annual accounting and reporting to Fiscal Service, and maintaining proper accounting and system controls for all transactions,
  - Provide administrative reviews and hearings requested by a debtor, as required by applicable laws and regulations, including but not limited to [5 U.S.C. § 5514](#) (federal salary offset) and [31 U.S.C. § 3711\(e\)](#) (credit bureau reporting), [31 U.S.C. § 3716](#), and [31 U.S.C. § 3720A](#) (administrative and tax refund offset) when CRS notifies the creditor agency that a debtor has made such request; and provide written determination of the outcome of any such proceeding when notifying CRS that it should either continue collection or permanently cease collection of the debt,
  - Promptly notify CRS when it learns that any debt has become subject to the automatic stay in a bankruptcy proceeding or that any debtor is deceased, and
  - Provide any necessary authorization or approval for Fiscal Service and the Financial Agent to access the creditor agency program ALC information in the Collections Information Repository or any other required system for the purpose of managing accounts within CRS.

#### **Section 3030.20—Certify Debt**

To certify its debt meets certain requirements, the creditor agency must execute an annual written agreement with Fiscal Service, including whether the debt is valid and legally enforceable.

The creditor agency must ensure that any person authorized to transfer a debt to

Fiscal Service for the creditor agency understands that, by transferring the debt, he or she is making a certification to Fiscal Service under penalty of perjury that, among other things, the debt is valid and legally enforceable. The creditor agency must ensure that only appropriate persons are authorized to transfer debts to Fiscal Service.

#### **Section 3030.30—Coordination**

After transfer, the creditor agency should cease all collection activity and communication with the debtor and must refer all inquiries from the debtor to Fiscal Service. If the creditor agency determines that communication with the debtor is necessary, the creditor agency will immediately inform Fiscal Service to ensure that Fiscal Service remains adequately informed of any such communications.

To ensure that the same debt is not transferred to CRS from more than one agency, the creditor agency will coordinate with any other agencies that have been involved with incurring, establishing, or collecting a debt, including the Department of Justice or any agency providing shared services (including salary paying agencies) to the creditor agency.

#### **Section 3030.40—Continued Validity and Enforceability of the Debt**

The creditor agency always remains solely responsible for ensuring the continued validity and enforceability of the debt.

#### **Section 3030.50—Assist with Responding to Debtors and Responding to FOIA; Notify Fiscal Service of Updates about Debt or Debtor**

The creditor agency must promptly notify Fiscal Service about any litigation resulting from Fiscal Service's collection efforts or impacting the government's debt collection authorities. The creditor agency also must assist Fiscal Service in defending litigation, resulting from Fiscal Service's or the agency's collection efforts. In addition, regarding Fiscal Service's efforts to collect debt through affirmative litigation, the creditor agency must, upon request, assist Fiscal Service by providing supporting documentation, live witnesses, and other litigation support.

The creditor agency must reply within 10 business days to any request by Fiscal Service for information regarding a transferred debt or debtor, including requests for:

- Information needed to respond to a dispute (whether received from the debtor or another source),
- Approval of a compromise agreement, if the creditor agency did not delegate full compromise authority to Fiscal Service,
- Copies of signed promissory notes,
- Copies of citations and/or notifications of fines or penalties,
- Copies of initial demand letters establishing debts,
- Copies of due-process notices,
- Information needed to respond to inquiries resulting from the

government's collection efforts, such as inquiries from Congress, inspectors general, or requestors under the FOIA or the Privacy Act, and

- Any other supporting documentation requested by Fiscal Service.

The creditor agency must provide Fiscal Service with any updated information it receives about a debt or debtor in a timely manner, including:

- Updated addresses,
- Taxpayer identification numbers,
- Responses to disputes, reviews, and/or hearings, if requested by Fiscal Service or as otherwise required by law, and
- Other information needed to collect debts.

#### **Section 3030.50a—Maintain Records**

The creditor agency must maintain timely and accurate debt records, including updated information such as debtor information and debt balances. The creditor agency remains the owner of the debt throughout the debt collection process.

Per subsection 3035.20, Modify Records, Fiscal Service will, if appropriate, update and/or modify its debt and debtor records with information obtained from its skip tracing and asset-location services. The creditor agency must notify Fiscal Service immediately if it learns that any such updates or modifications to such records are incorrect.

#### **Section 3030.60—Cancelling Transferred Debt**

The creditor agency must cancel a transferred debt if:

- The debtor has filed for bankruptcy and the automatic stay is in effect,
- The debt is not enforceable,
- The debt is not valid or has been paid in full, or
- The creditor agency discovers any other reason that would render its certification invalid.

Upon the cancellation of a debt in accordance with this section or the return of a debt by Fiscal Service in accordance with subsection 3035.40, Return Transferred Debt, the creditor agency must service, collect, or compromise the debt, or must suspend or terminate collection action on the debt. If, prior to the cancellation, Fiscal Service and the debtor entered into a payment agreement, and that payment agreement remains unbreached, the creditor agency must abide by the terms of the payment agreement after cancellation.

If the creditor agency determines that termination of collection action is authorized and appropriate, it should consider whether offset per [31 U.S.C. § 3716](#) might still be appropriate.

The creditor agency may transfer previously returned or cancelled debts back to

Fiscal Service for servicing, if appropriate. The creditor agency may not cancel a debt already referred by CRS to the Cross-Servicing program, but may recall the debt, as permitted by [TFM Volume I, Part 3, Chapter 5000](#).

### **Section 3035—Fiscal Service Responsibilities**

Unless otherwise provided in the APA, Fiscal Service will be responsible to do the following:

- Direct and control the actions of Fiscal Service and financial agent employees and contractors in all aspects of servicing a debt,
- Comply with the laws and policies governing the management of a debt,
- Provide the creditor agency and its authorized personnel with access to CRS systems,
- Provide authorized creditor agency personnel with Fiscal Service and financial agent contacts who will be able to respond to and resolve questions and issues pertaining to CRS,
- Take any of the following collection actions on the creditor agency's behalf:
  - Send invoices, demand letters, and due process letters either as single letters or multiple letters,
  - Contact debtors by telephone,
  - Perform skip-tracing,
  - Purchase credit reports, and/or
  - Respond to a debtor's inquiries and any requests to exercise due process rights with respect to debt, including, negotiating compromises and payment agreements, providing copies of records relating to the debt, and/or explanations as to why the debt is owed,
- Notify the creditor agency when a debtor disputes the validity or legal enforceability of a debt,
- Provide the creditor agency with status reports on all case status and deposit application information within CRS; such sufficiently detailed reports for the creditor agency to reconcile its records with CRS case balances,
- Refer eligible delinquent debt to Cross-Servicing, and
- Notify the creditor agency of any debt that CRS has ceased collecting and provide the reasons for CRS's decision to cease collections.

### **Section 3035.10—Maintain and Update Records**

Fiscal Service will make available to the creditor agency sufficient information for the creditor agency to update its debt records, maintain accurate debt balance information, reconcile its debt information, and run status reports on all collection activities.

As appropriate, Fiscal Service will provide the creditor agency with access to other relevant information regarding transferred debts.

### **Section 3035.20—Modify Records**

Fiscal Service will, if appropriate, update and/or modify its debt and debtor records with information obtained from its skip tracing and asset-location services. This information may include, among other things, contact information for the debtor (including mailing addresses, physical addresses, phone numbers, and email addresses), alternative debtor names (including alternative spellings, maiden names, married names, nicknames, and other aliases), taxpayer identification numbers, and employer information.

### **Section 3035.30—Respond to Disputes and Inquiries**

Fiscal Service or its Financial Agent will respond to all appropriate debtor inquiries received while Fiscal Service is servicing the debt, pursuant to the APA. As necessary, Fiscal Service will consult with the creditor agency to assist with its responses.

If a debtor (or someone on the debtor's behalf) disputes the validity or enforceability of a debt, Fiscal Service may, if appropriate, submit such disputes to the creditor agency for resolution.

If the creditor agency determines that it must communicate directly with third parties about a matter while Fiscal Service is servicing the debt or thereafter, Fiscal Service will provide the information necessary for the creditor agency to respond to inquiries. Such inquiries may be from Congress, inspectors general, requestors under FOIA or the Privacy Act, or other relevant parties.

Fiscal Service will assist the creditor agency in defending litigation resulting from the government's collection efforts.

### **Section 3035.40—Return Transferred Debt**

Fiscal Service may return a debt to the creditor agency for any of the reasons listed in section 3035.50.

### **Section 3035.50—Suspend and/or Terminate Collection Action**

Fiscal Service may suspend or cease collection action on its own initiative, or at the request of the creditor agency, if appropriate.

If appropriate, upon return of a transferred debt with a principal balance of \$500,000 or less, Fiscal Service may recommend termination of collection action. When Fiscal Service returns a debt with a principal balance of \$500,000 or less, unless otherwise specified, Fiscal Service will be deemed to have authority to approve the termination of collection activity if the debt is returned for any of the following reasons:

- Federal law precludes collection action,
- DMS determines that the debtor has a complete inability to pay, or
- An entity-debtor has dissolved in accordance with State law.

The creditor agency is responsible for determining whether it is appropriate to terminate collection action.

Fiscal Service does not have authority to recommended termination of debt collection action if it returns a debt for any other reason, including:

- The debtor has filed for bankruptcy protection,
- The debtor is deceased,
- The creditor agency is re-evaluating whether it has fulfilled the referral pre-requisites, or
- The creditor agency has failed to comply with CRS rules or provide necessary information.

In these circumstances, the creditor agency remains responsible for collecting the debt in compliance with applicable rules or for suspending or terminating collection action on the debt, as appropriate.

#### **Section 3040—Fees and Costs**

Fiscal Service currently does not charge creditor agencies for services provided by the CRS program.

#### **Contacts**

**Direct inquiries concerning this TFM chapter to:**

Debt Management Services  
Bureau of the Fiscal Service  
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Landover, MD 20785  
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#### **Summary of Updates**

<b>Section No.</b>	<b>Section Title</b>	<b>Summary of Change</b>
3020	Terms and Definitions	Deleted terms and definitions
3020	Terms and Definitions	Added verbiage and hyperlink redirecting readers to the TFM Glossary



