



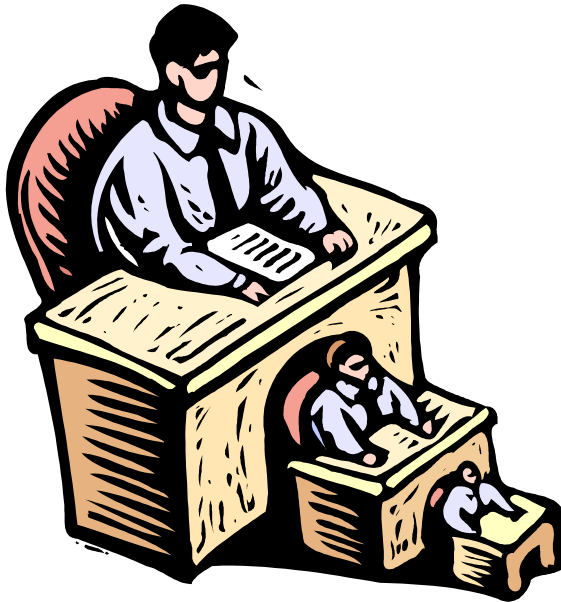
# Department of Veteran Affairs Debt Management Center



2012 CONFERENCE  
March 20-23, 2012

## ***School Liability Debt Payment Procedures***

## When did DMC begin the check deposit/application function for all school liability payments?



- December 1, 2011, DMC began depositing all school liability checks received by the Atlanta Regional Processing Office (RPO).
- December 15, 2011, the Buffalo RPO was added to the process.
- January 1, 2012, the Muskogee and St. Louis RPO's also added to the process.

*All schools, from all RPO locations, were instructed to send payments directly to DMC for processing effective January 1, 2012.*

*The Muskogee RPO assumed primary responsibility for researching payments received by DMC that could not be readily identified or applied to a debt.*

## Why did VA consolidate the processing of school liability payments?



- Previously, schools were required to return payments to their servicing Regional Processing Office. That process required school officials to contact multiple VA offices for information regarding school debts and returned payments. It became clear that VA had to streamline school payment procedures.
- The decision was made to have DMC process and deposit the school payment, and Muskogee would research education files to ensure correct application of an unapplied payments.

## Were the schools notified of this change?

Notification letters were sent to the schools on December 28, 2011, instructing them to send payments to the Debt Management Center for processing effective January 1, 2012. The Muskogee RPO assumed primary support responsibility for researching education files and correctly applying payments.



## What information were the schools provided regarding sending their payments to DMC?



The schools were advised that they could use a plastic card or ACH debit through PayVA.

They were provided detailed information on how to use the [www.pay.va.gov](http://www.pay.va.gov) website.

They were also advised of DMC's address and given the following notes regarding when payments should be sent to DMC.

## What information were the schools provided regarding sending their payments to DMC?



1. You should not send any funds to DMC until your school receives a collection letter from DMC.
2. If you did not receive a collection notice or letter from DMC or a letter from your education RPO referencing a debt, verify with the certifying official at your school that the information regarding any change in enrollment or tuition and fee charges was forwarded to the Education RPO before you send your check.
3. If you have not received a letter from DMC, then VA has not processed the change and a receivable/debt has not been established.

## What information were the schools provided regarding sending their payments to DMC?



4. If you forward a check without verifying that a debt exists and you do not include the tear off payment stub from the DMC letter, **application of your payment will be delayed.**
5. Your check must include the student's full name and social security number, and be made payable to the U. S. Department of Veterans Affairs.
6. Your check should also be accompanied by the tear off payment stub from the bottom of the collection letter you received from DMC. This will expedite the application of your payment.

## What are the reasons that a school would owe VA?

1. The student never attended classes for which he/she was certified (regardless of the reason for non-attendance).
2. The student completely withdraws on or before the first day of the term. (If a student reduces, the debt shall be assessed to the student.)
3. The school received a payment for the wrong student.
4. The school received a duplicate payment.
5. The school submitted an amended enrollment certification and reported reduced tuition and fee charges, reduced Yellow Ribbon amount, or both.
6. The student died during the term or before the start of the term.
7. VA issued payment above the amount certified on the enrollment certification that was used to process the payment (VA data entry error).



## What does DMC do when . . . ?

### What does DMC do when they receive a school check with no debt?

A manual remittance stub is created and the check is processed in our check processing room. The check will be deposited but the funds will be transferred to the Muskogee RPO for research and application.

### What does DMC do when they receive a payment that is more than the school debt ?

Funds are applied to the debt and the remaining balance is transferred to Muskogee for research and application.

### What does DMC do when they receive a payment and there is a student debt, and no school debt?

The payment is applied only if the facility code matches the student debt **and** the debt is equal to or less than the payment received. If DMC cannot determine the facility code or the payment is more than the student debt, the funds will reject as a school debt and will be sent to Muskogee for further research. If you are aware that a debt has been assigned to the student for a payment received by the school, please issue the refund to the student and DMC will make arrangements with them for repayment.

**DMC does not refund school payments to students, that is a decision made by the RPO.**

## How long does it take DMC to process a payment?

Our goal at DMC is to process all checks within 2 business days of receipt. However, if a payment is received without a remittance stub, it may take up to 5 business days to process.

**Currently, 90% of the payments processed by DMC are received without remittance stubs.**

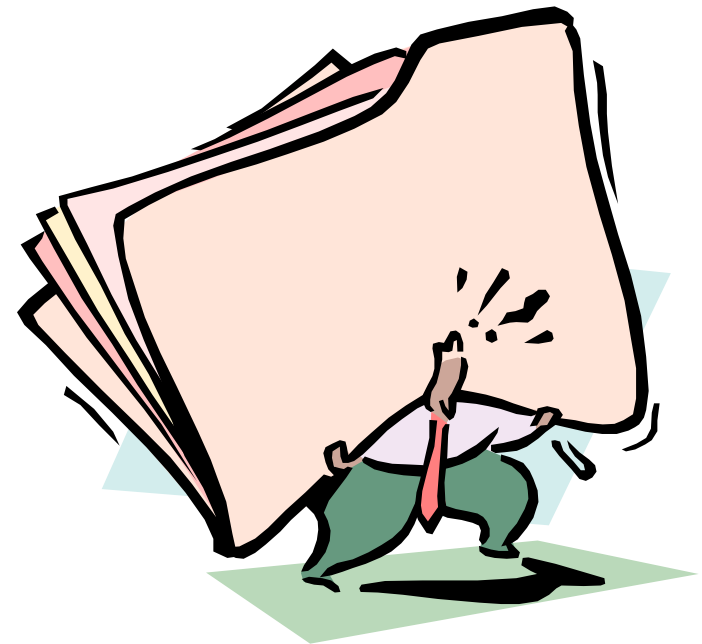
If there is a debt and a remittance stub was enclosed with the payment, the debt will clear the system within 2 business days.

If there is no debt or if there is a discrepancy, the checks will be cashed within 5 business days but research will have to be done by Muskogee to validate and create the debt and then apply the payment to the debt.



## Can you send one check for multiple students?

Yes, however, you should send the remittance stubs with your payment and a list with the file numbers and dollar amounts the check covers. You need to make sure that the check you send totals the amount of debts you want it applied to. If you send additional funds and DMC does not know what debt to apply it to, DMC may have to return the check to you for additional information.



## What happens if there is a debt and you send your payment without the remittance stub?

DMC must process a manual remittance stub for all debts that do not have one enclosed with the school check.

Ultimately, our goal is to receive payment with a remittance stub to reduce processing time and provide a better service to you and our nation's Veterans.



## What if you sent payment to the RPO before the DMC/Muskogee consolidation and the debt has not cleared?



- Gather information about the payment. We will need to know the date, amount, and number of the check, as well as the Social Security Number of the student.
- If it was cashed, please provide DMC with a copy of the front and back of the check.
- Fax the information to DMC, Attention: Correspondence Unit. DMC we will follow up with the RPO.
- Once DMC has a response from the RPO, we will contact you.

## What happens if you send a payment, but no debt has been established?



You should wait for the payment remittance stub before sending your payment. If you send a payment without the stub, it will delay processing. The check will be deposited by DMC and forwarded to Muskogee for research. Muskogee has a check processing team that works strictly on this issue; if an amended 1999B has been filed, they will process it, create a debt and apply that payment.

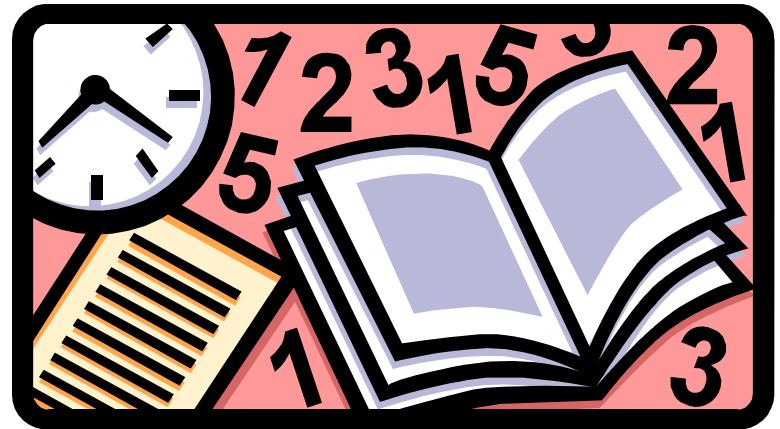
**However, there will be a delay in processing.**

Please wait until you receive DMC's letter and send your payment with the remittance stub.

## How long does it take for Muskogee to do their research and take their action?

Muskogee tries to have all cases reconciled within 25 days.

Muskogee currently has a 97-98% success rate in achieving their 25 day processing time, with a large percentage of those being researched and processed within 7 business days.



## How does the school make a payment with DMC?



ACH payments can be made on our PayVA website:

[www.pay.va.gov](http://www.pay.va.gov)

The person making the payment will need some of the information listed on DMC's letter to ensure proper credit.

DMC's mailing address is:

DMC (389)

PO Box 11930

St. Paul, MN 55111-0930



## What if you need to contact DMC directly?



E-mail inquiries may be directed to:

[dmcedu.vbaspl@va.gov](mailto:dmcedu.vbaspl@va.gov)

Otherwise, the toll free number to our call center is:

1-800-827-0648

1-612-970-5782 fax

The caller should specify that they are calling from a school and will need the full VA file number of the student account the payment was addressing.