



**PIP Procedures
Memorandum
97-08**

April 18, 1997

TO: Case Management Division Directors
Area Case Directors
Co-Team Leaders
Administrative Actions & Appeals Division
All PIP Staff

THROUGH: Howard Fenton, Director
Performance Improvement and Procedures Division

FROM: Patricia Hopson, Chief
Procedures Branch
Performance Improvement and Procedures Division

SUBJECT: FPRD and FAD Language
Payment Instructions; Federal Offset/Referral to the Treasury

This memorandum addresses a revision in the standard language used in the Final Program Review Determination (FPRD) and the Final Audit Determination (FAD) letters. The Financial Management Service has requested that IPOS incorporate language in the FPRD and FAD letters to reflect certain changes to the collection process under the Debt Collection Improvement Act of 1996, part of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (P.L. 1041 34). This law authorizes ED to forward delinquent debt to the Department of Treasury for federal offset or collection action.

The new language should be inserted in the FPRD under the "Payment Instructions" section and inserted in the FAD under the "Reimbursement Instructions" section, and will follow in each case immediately **after** the paragraph which ends with the standard statement:

...interest will accrue in monthly increments, starting with the day after the date of this letter until the date of receipt at NFC. Any questions regarding interest accruals or payment credits should be referred to the Administrative Billings and Collections Section of NFC on 1-800-421-0323.

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The new language to be added is:

If payment is not received in accordance with the instructions provided, the Department of Education may collect the amount due and payable by administrative offset against payments due your organization from the Federal Government. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

This new statement should be placed immediately before the existing payment plan language. For further information on the payment plan standard language, please refer to IRB 95-7.

Please include the new federal offset/referral to the Treasury language in all FPRD's and FAD's, **effective immediately**. Thank you for your attention to this FPRD and FAD change. If you have any questions, please contact Donna Cook of the Procedures Branch at 202/205-2289 or by cc:mail.

cc: Nancy Hoglund, FMS