

OFP NEWS FLASH

FY 2014 Issue 02

Washington, DC

August 15, 2014

**The Digital Accountability and Transparency Act of 2014 (DATA Act)
requires federal agencies to refer delinquent debt to Treasury for Collection
after 120 days (previous standard was 180 days).**

Effective immediately and as appropriate, all delinquent debt should be referred to Treasury for Administrative Offset after 120 days. Any questions or concerns should be addressed with your Treasury Report on Receivables (TROR) field reporting office.

On May 9, 2014, the President signed into law the Digital Accountability and Transparency Act (DATA Act), [Pub. L. 113-101](#). The DATA Act establishes new requirements for reporting on federal spending, as well as new requirements surrounding the management of federal debt. This News Flash only addresses Section 5, Debt Collection Improvement of the DATA Act.

In 1996, 31 U.S.C 3716, Administrative Offset was amended by the Debt Collection Improvement Act (DCIA) which initiated the requirement for VA to transfer to the Department of Treasury (Treasury) for administrative offset or collection of any debt delinquent of more than 180 days. With the passing of the DATA Act, Federal agencies must now refer delinquent debt to Treasury after 120 days. Additionally, Treasury is required to notify Congress when VA does not refer delinquent debts within 120 days.

VA debt is a claim for monies made by or owed to the federal government, arising out of VA activities. A debtor may be any of the following: an individual receiving Veterans' benefits or VA services, a current or former Federal employee, a vendor providing VA benefits or services to eligible individuals, a vendor providing products or services to VA, another Federal agency, and/or another entity interacting with VA. Once debt has been incurred by a debtor, VA will establish the debt by creating an account receivable and issuing the debtor an invoice or a Bill of Collection (BOC) and Notice of Indebtedness (NOI). Invoicing the debtor starts the collection clock, VA will make all reasonable efforts to recover and satisfy the debt in full, to include collecting the debt by referring to Treasury for administrative offset.