

# MILPAY Debt Collection/Debt Management SOP



## Purpose:

The purpose of this SOP is to provide a common process for Customer Commands, Debtors, and Transaction Service Centers (TSC) MILPAY Offices/DDOs to follow to support Debt Collection/ Debt Management roles and responsibilities.

For links outside of this document right click, select "Copy link location", paste into address bar of browser.

### Role Link's:

MILPAY Clerk

DDO

Travel Clerk

Travel Supervisor

MILPAY Lead

CPPA

Debtor

### Other Links:

Quick Links Page

Roles & Responsibilities

Best Practices

Reference's

Online Resources/Aids

Forms

Steps in numerical order

Approved for public release: Distribution Unlimited

**SYSTEMS & HELP DESK POCs**

<https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/System-Access/>

**BUMED INSTRUCTIONS**

<https://www.med.navy.mil/Directives/Instructions/>

**BUPERS INSTRUCTIONS**

<https://www.mynavyhr.navy.mil/References/BUPERS-Instructions/>

**CPPA RESOURCES**

<https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/>

**DJMS**

<https://www.milsuite.mil/book/groups/navy-djms-procedures-training-guide>

**DOD FMR**

<https://comptroller.defense.gov/FMR/>

**DOD INSTRUCTIONS / DIRECTIVES / FORMS**

<https://www.esd.whs.mil/Directives/issuances/dodi/>

**DON Memo dtd 30 June 2020**

<https://www.mynavyhr.navy.mil/About-MyNavy-HR/Commands/Navy-Personnel-Command/Organization/BUPERS/FIAR/>

**DON WEBSITE**

<https://www.doncio.navy.mil/>

**DS-11**

<https://travel.state.gov/content/travel/en/passports/how-apply/forms.html>

**JAG INSTRUCTION**

<https://www.jag.navy.mil/library/>

**JTR**

<https://www.travel.dod.mil/Policy-Regulations/Joint-Travel-Regulations/>

**KSD**

<https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/Resources/>

**MILPERSMAN**

<https://www.mynavyhr.navy.mil/References/MILPERSMAN/>

**NAVADMINS**

<https://www.mynavyhr.navy.mil/References/Messages/>

**NAVMED FORM**

<https://www.med.navy.mil/Directives/NAVMED-Forms/>

**NAVMED MANUAL**

<https://www.med.navy.mil/Directives/MANMED/>

**NAVPERS FORMS**

<https://www.mynavyhr.navy.mil/References/Forms/NAVPERS/>

**NAVSUPINST**

<https://www.navsup.navy.mil/NAVSUP-Enterprise/NAVSUP-Weapon-Systems-Support/Provisions-Instructions-and-Contract/>

**NPPSC FORMS**

<https://www.mynavyhr.navy.mil/References/Forms/NPPSC-Forms/>

**NPPSC INSTRUCTIONS**

[https://flankspeed.sharepoint-mil.us/sites/MyNavyHR\\_MNCC/NPPSC/Admin\\_Folder/Forms/AllItems.aspx?FolderCTID=0x0120006B9F26B001351F4EB6073A6A8A77501E&id=%2Fsites%2FMyNavyHR%5FMNCC%2FNPPSC%2FAdmin%20Folder%2FDirectives%2FInstructions&viewid=2fbe9921%2D23f4%2D4835%2Db62a%2Db17cdfd37312](https://flankspeed.sharepoint-mil.us/sites/MyNavyHR_MNCC/NPPSC/Admin_Folder/Forms/AllItems.aspx?FolderCTID=0x0120006B9F26B001351F4EB6073A6A8A77501E&id=%2Fsites%2FMyNavyHR%5FMNCC%2FNPPSC%2FAdmin%20Folder%2FDirectives%2FInstructions&viewid=2fbe9921%2D23f4%2D4835%2Db62a%2Db17cdfd37312)

**OF 1164**

<https://www.gsa.gov/reference/forms/claim-for-reimbursement-for-expenditures-on-official-business>

**OMPF**

<https://www.bol.navy.mil/>

## CPPA QUICK LINKS PAGE 3 OF 3

### OPNAV INSTRUCTIONS

<https://www.secnav.navy.mil/doni/opnav.aspx>

### OPS ALERTS

[https://flankspeed.sharepoint-mil.us/sites/MyNavyHR\\_MNCC/NPPSC/NPPSC OPS ALERTS/Forms/AllItems.aspx](https://flankspeed.sharepoint-mil.us/sites/MyNavyHR_MNCC/NPPSC/NPPSC OPS ALERTS/Forms/AllItems.aspx)

### PPIBS-MPAS

<https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/PPIBS-MPAS/>

### SalesForce/eCRM

<https://navynpc.my.salesforce.mil/>

### SECNAV INSTRUCTIONS

<https://www.secnav.navy.mil/doni/secnav.aspx>

### SECNAV MANUALS

<https://www.secnav.navy.mil/doni/manuals-secnav.aspx>

### SF FORMS

<https://www.opm.gov/forms/standard-forms/>

### SGLV 8286

<https://www.va.gov/life-insurance/options-eligibility/sgli/>

### US NAVY REGULATIONS

<https://www.secnav.navy.mil/doni/navyregs.aspx>

### NP2

<https://prodhr.np2.cloud.navy.mil/my.policy>

## ROLES AND RESPONSIBILITIES

- **Debt and Claims Management Office (DCMO) or DFAS:** The DCMO offers debt management and collection assistance for delinquent debts owed to DoD by individual debtors who are former DoD employees that are no longer paid by DoD. If a Component's DCO cannot collect a debt through offset because the debtor is no longer being paid by DoD, and the debtor has not agreed to pay the debt, then the DCO should obtain debt collection services from the DCMO. The DCMO also makes determinations on hearing requests and applications requesting the waiver of individual indebtedness.
- **Debt Collection Office (DCO):** DCO refers to the office or individuals at the DoD Component level that are primarily responsible for debt establishment and collection for the Component. After establishing a debt, the DCO is also responsible for due process procedures. DCOs that manage the debt collection for the Component are typically located in the following areas: AROs, military and civilian payroll offices (located both within and outside of the Defense Finance and Accounting Service (DFAS), Debt Management Office (DMO), DCMO, contracting offices, disbursing offices, or the Foreign Debt Management Office.
- **Disbursing Officer (DO):** The individual responsible for the payment of public funds to entities to whom the Government is indebted; the collection and deposit of monies; the safeguarding of public funds; and the documenting, recording, and the reporting of these transactions.
- **Deputy Disbursing Officer (DDO):** A person appointed to act in the name of and for that DO to perform any and all acts relating to the receipt, disbursement, custody, and accounting for public funds. The appointing DO may restrict the acts a deputy is authorized to perform. DDOs must be U.S. citizens.
- **Disbursing Office:** An activity or the organizational unit of an activity whose principal function consists of the disbursement, collection and reporting of public funds. Disbursing offices within DoD formerly were referred to as Finance and Accounting Offices, Accounting and Finance Offices, and Finance Offices.
- **MILPAY Clerk/MILPAY Lead:** A Disbursing Agent (DA) of a Disbursing Officer, not appointed as a DDO, who performs MILPAY functions in a permanently-located disbursing office (MILPAY Office) that is often geographically separated from the disbursing office.
- **Travel Clerk (also Examiner):** The individual primarily responsible for the overall processing of travel payments. When logged into IATS in the Examiner View mode, a user may log incoming claims, process advances and settlements, post accrued per diem payments, and process collections. In addition, Examiners may have the capability to create traveler accounts and create travel order records. These functions, however, are dependent upon the privileges that have been established for the user by the System Administrator.

## ROLES AND RESPONSIBILITIES

- **Travel Supervisor** (also System Administrator): The individual responsible for the overall operation of IATS and controlling the work flow throughout the system. System Administrators are responsible for the set-up and configuration of IATS for the particular travel office. In addition, System Administrators perform the following additional functions:
  - Performing system maintenance
  - Establishing user accounts
  - Assigning/re-assigning blocks and claims
  - Deleting completed blocks
  - Deleting unneeded traveler or travel order details
  - Debt management
  - Importing and updating system rates files
  - Processing interfaces between accounting, disbursing, and personnel systems
  - Generating management reports
  - Running utility programs
- **Debtor:** Active, reserve, retired, and former military members; current, retired, and former DoD civilian employees; non-appropriated fund instrumentality (NAFI) employees; and any other individual indebted to DoD who is subject to offset.
- **Command Pay and Personnel Administrator (CPPA):** Serves as the primary customer service link between command members and the supporting TSC or Regional Support Center (RSC). Duties and responsibilities are defined in MPM 1000-021. The term CPPA identifies personnel assigned the Navy Enlisted Classification (NEC) code of 791F, but for the purposes of this SOP may include Dept/Div Admin representatives (e.g., large afloat commands) who liaise directly with the ship's Personnel Office/TSC.
- **Note:** Recent and future NSIPS programming releases will continue to expand CPPA roles and capabilities within NSIPS. Until such time as the new CPPA NEC code (791F) is fully implemented, individual TSCs and FSCs may assign TSC Clerk duties and responsibilities, as identified in this SOP and consistent with expanded NSIPS capabilities, to supported command CPPAs in order to facilitate the timely and accurate processing of Service Member pay and personnel transactions. As such, CPPAs may accomplish TSC Clerk assigned steps within this SOP consistent with expanded NSIPS roles and capabilities and servicing TSC/RSC authorization.

## BEST PRACTICES

- Important Document Retention Action: IAW Department of the Navy Memo dated 30 June 2020 "Revised Record Retention Requirements to Support Department of the Navy Financial Statement Audits" financial record retention requirements are now ten years.
- In addition to SOP steps that identify specific documentation requirements, refer to Navy MILPAY Key Supporting Documents (KSD) Matrix, if required, to determine Key Supporting Documentation necessary to support the transaction. Current KSD matrix is maintained by FIAR at following website: <https://www.mynavyhr.navy.mil/About-MyNavy-HR/Commands/Navy-Personnel-Command/Organization/BUPERS/FIAR/MILPAY/>.
- Important Internal Control Action: MMPA verification steps within this SOP reflect important internal control actions that cannot be over-emphasized. This applies to the entire transaction process from its initiation and authorization through the final verification of the proper processing of the transaction in summary records. These particular SOP process steps are built-in management design control activities to ensure that all transactions are properly completed and accurately recorded.
- Debt Collection procedures have been consolidated in a single DoD FMR Volume. Refer to Department of Defense Financial Management Regulation (DoD FMR) Volume 16, Chapters 1-4 for information concerning debt collection authority and debtor rights.
- MILPAY Offices should not process DD139s/DD2481s requesting involuntary pay offset unless creditor organization prepared forms contain the following statement: "Member has been provided due process" or a signed consent agreement is attached to the DD139/DD2481.
- MILPAY Offices are not required to provide due process procedures prior to collecting overpayments of pay and allowances using routine intra-agency pay adjustments. To collect by routine adjustment, the overpayment must have occurred within the four pay periods preceding the adjustment or amount to \$500 or less. Routine adjustments may be necessary due to overpayment attributable to clerical errors, administrative errors, delays in processing pay documents, corrected or late time and attendance data, under deduction of premiums, or incorrect personnel actions.
- MILPAY Offices/DDOs must promptly and aggressively initiate collection action on all established debts owed to the DoD and must complete follow-up actions to ensure successful repayment to the DoD. MILPAY must issue the initial Debt Notification Letter to the debtor within 5 working days following confirmation of a valid debt.
- MILPAY must issue the initial Debt Notification Letter to the debtor within 5 working days following confirmation of:
  - (1) the existence and validity of the debt;
  - (2) the basis of indebtedness; and
  - (3) the amount of the debt.
- Refer to DoD FMR Vol 16 Chapter 2 Paragraph 020505 and Figure 2-2 for required elements of a Debt Notification Letter. The Debt Notification Letter should also include the following:
  - o Collection of your Debt
  - o Requesting a Hearing
  - o Requesting a Waiver

## BEST PRACTICES

### o Sample Voluntary Repayment Agreement for Indebtedness

- Except for routine, administrative pay adjustments and travel advance liquidation, the written notification must be sent to the member at least 30 days prior to the date the pay checkage is to occur. A further exception to the advance notification rule should be made in those instances in which adherence to the rule would jeopardize the government's chances of collecting the debt in full during the member's period of obligated service. In such instances, written notification must be effected as soon as possible.
- Authority to Initiate Collection Before Due Process is Granted: In certain limited circumstances, a DCO may use accelerated procedures to collect a debt by salary or administrative offset prior to, or while providing, notice and an opportunity for review to the debtor. Initiation of the collection before due process is authorized if failure to take the offset would substantially prejudice the DoD's ability to collect a debt, or if the time before payment must be made does not reasonably permit completion of the procedures. When prior notice and an opportunity for review is not provided prior to collection, then such notice and opportunity for review must be given to the debtor as soon as practicable. Any amount recovered by offset, which is found not to be owed by the debtor, must be promptly refunded.
- MILPAY Office must exercise care to ensure the debt notification letter is dated the same day the letter is mailed to the last known address for the debtor or hand-delivered to the debtor.
- Per Navy DJMS Procedures Training Guide Part 7 Deductions and Collections Chapter 7 Indebtedness Section A General, a minimum of 30 calendar days is the response time in all cases except for unliquidated travel advances in which the standard response time is 15 calendar days.
- If Debtor fails to make remittance or exercise rights within 30 days from the date of the Debt Notification Letter (15 days for Travel debt), the debt will be deducted from the next available payroll check.
- A debtor waives his or her right to a review/reconsideration if the debtor fails to file a petition within 30 calendar days from the mailing date of the debt notification (15 calendar days for Travel debt), or by the date indicated in the debt notification or notice rejecting an unacceptable voluntary repayment agreement.
- Processing involuntary collections should be a last resort. MILPAY should attempt to contact CPPA/Service Member/Employee before involuntary collection action is initiated, but in some situations, e.g., separated, fleet reserve, and retired Service Members, contact may prove difficult.
- DDO should refer delinquent, individual, out-of-service debts (even those less than \$225) to DCMO no later than 60 days after the payment due date when the DCO has not been able to collect a debt or establish a repayment schedule with the debtor.
- All personnel are required to comply with all PII/CUI policy guidance per required annual GMT. For further information, refer to the DON CIO website: <https://www.doncio.navy.mil/>



## REFERENCES

#	Doc ID	Title
1.	JTR	Joint Travel Regulations, Uniformed Service Members and Civilian Employees <a href="https://www.defensetravel.dod.mil/Docs/perdiem/JTR.pdf">https://www.defensetravel.dod.mil/Docs/perdiem/JTR.pdf</a>
2.	DoD FMR, Vol 5 Chapter 2	DoD (Department of Defense) Financial Management Regulation (FMR) 7000.14-R Vol 5: Disbursing Policy; Chapter 2 Disbursing Offices, Officers, and Agents <a href="http://comptroller.defense.gov/FMR/vol5_chapters.aspx">http://comptroller.defense.gov/FMR/vol5_chapters.aspx</a>
3.	DoD FMR, Vol 5 Chapter 5	DoD (Department of Defense) Financial Management Regulation (FMR) 7000.14-R Vol 5: Disbursing Policy; Chapter 5 Certifying Officers, Departmental Accountable Officials, and Review Officials <a href="http://comptroller.defense.gov/FMR/vol5_chapters.aspx">http://comptroller.defense.gov/FMR/vol5_chapters.aspx</a>
4.	DoD FMR, Vol 5 Chapter 6	DoD (Department of Defense) Financial Management Regulation (FMR) 7000.14-R Vol 5: Disbursing Policy; Chapter 6: Physical Losses of Funds, Erroneous Payments, and Overages <a href="http://comptroller.defense.gov/FMR/vol5_chapters.aspx">http://comptroller.defense.gov/FMR/vol5_chapters.aspx</a>
5.	DoD FMR, Vol. 5 Chapter 8	DoD (Department of Defense) Financial Management Regulation (FMR) 7000.14-R Vol 5: Disbursing Policy; Chapter 8 - Collections <a href="http://comptroller.defense.gov/FMR/vol5_chapters.aspx">http://comptroller.defense.gov/FMR/vol5_chapters.aspx</a>
6.	DoD FMR, Vol. 9	DoD (Department of Defense) Financial Management Regulation (FMR) 7000.14-R Vol 9: Travel Policy <a href="http://comptroller.defense.gov/FMR/vol9_chapters.aspx">http://comptroller.defense.gov/FMR/vol9_chapters.aspx</a>
7.	DoD FMR, Vol. 16	DoD (Department of Defense) Financial Management Regulation FMR) 7000.14-R Volume 16: Department of Defense Debt Management <a href="http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_16.pdf">http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_16.pdf</a>
8	Department of the Navy Memo dated 30 June 2020	Revised Record Retention Requirements to Support Department of the Navy Financial Statement Audits <a href="https://www.mynavyhr.navy.mil/About-MyNavy-HR/Commands/Navy-Personnel-Command/Organization/BUPERS/FIAR/">https://www.mynavyhr.navy.mil/About-MyNavy-HR/Commands/Navy-Personnel-Command/Organization/BUPERS/FIAR/</a>
9	NPPSCINST 5220.2 (Series)	Standard Management Reports <a href="https://www.sharepoint-mil.us">Navy Pay and Personnel Support Center - Instructions - All Documents (sharepoint-mil.us)</a>

## REFERENCES

10	NPPSCINST 7220.7 (Series)	Separation of Duties Affecting Military Pay <a href="https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/PPIBS-MPAS/">Navy Pay and Personnel Support Center - Instructions - All Documents (sharepoint-mil.us)</a>
11	NPPSCINST 7250.1 (Series)	Retention of Disbursing Office Records <a href="https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/PPIBS-MPAS/">Navy Pay and Personnel Support Center - Instructions - All Documents (sharepoint-mil.us)</a>
12	NAVADMIN 66/16	Navy Audit Document Retention Guidance <a href="https://www.mynavyhr.navy.mil/References/Messages/">https://www.mynavyhr.navy.mil/References/Messages/</a>
13	MPA 12/13	Required Supporting Documentation on Defense Workload Operations Web System (DWOWS) Pay Claim Cases <a href="https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/PPIBS-MPAS/">https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/PPIBS-MPAS/</a>
14	MPA 49/15	New Automated Disbursing System (ADS) Access Request Procedures and Recertification Requirements for Personnel Assigned to Pay Command UICs <a href="https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/PPIBS-MPAS/">https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/PPIBS-MPAS/</a>
15	MPA 07/16	Mass Transactions Submission Via Defense Workload Operations Web System (DWOWS) <a href="https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/PPIBS-MPAS/">https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/PPIBS-MPAS/</a>
16	MPA 05/23	Update to Requirement to Submit Calculations with all Central Site Pay Entitlement Changes <a href="https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/PPIBS-MPAS/">https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/PPIBS-MPAS/</a>
17	PPIB 15-22	Issue 152201: Processing Travel and/or Vendor Payments <a href="https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/PPIBS-MPAS/">https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/PPIBS-MPAS/</a>

**ONLINE RESOURCES / AIDS / GUIDES**

#	Website Sponsor	Title and Link
1.	Defense Travel Management Office	Defense Travel Management Website <ul style="list-style-type: none"> <li>• Travel Tools</li> <li>• Training Resources</li> <li>• Travel Regulations and Allowances</li> <li>• Travel Programs</li> <li>• Travel Assistance</li> </ul> <a href="http://www.defensetravel.dod.mil/">http://www.defensetravel.dod.mil/</a>
2.	Defense Finance and Accounting Service - DFAS	DFAS SmartVoucher - A more legible, accurate, and complete DD 1351-2 PCS Travel Voucher  <a href="http://www.dfas.mil/smartvoucher.html">http://www.dfas.mil/smartvoucher.html</a>
3.	MyNavy HR	CPPA Resources  <a href="https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/">https://www.mynavyhr.navy.mil/Support-Services/MyNavy-Career-Center/Pers-Pay-Support/CPA-Resources/</a>
4.	MyNavy HR	NSIPS  <a href="https://www.nsips.cloud.navy.mil/my.policy">https://www.nsips.cloud.navy.mil/my.policy</a>
#	Sponsor	Document Title and Link
1.	DJMS MMPA Guide	Defense Joint Military Pay System (DJMS) Master Military Pay Account (MMPA) Guide  <a href="https://www.milsuite.mil/book/groups/navy-djms-procedures-training-guide">https://www.milsuite.mil/book/groups/navy-djms-procedures-training-guide</a>

**ONLINE RESOURCES / AIDS / GUIDES**

#	Website Sponsor	Title and Link
2.	Navy DJMS Procedures Training Guide (PTG)	Part 7 Deductions and Collections Chapter 7 Indebtedness <ul style="list-style-type: none"> <li>• Section A: General Procedures</li> <li>• Section B: Indebtedness Arising from Travel and Transportation</li> <li>• Section C: Accountable Members Indebted Due to Loss of Government Funds</li> <li>• Section D: Members Indebted to Other Government Agencies, Offices and Departments Outside the Department of Defense and Coast Guard</li> <li>• Section E: Garnishment of Wages for Child Support or Alimony Obligations</li> <li>• Section F: Other Involuntary Checkages</li> <li>• Section G: Voluntary Collections</li> <li>• Section H: Remission of Enlisted Member's Indebtedness and/or Waiver of Erroneous Payments of Pay and Allowances Made to or on Behalf of a Member</li> <li>• Section I: Bankruptcy and Wage Earners' Plan</li> <li>• Section J: Involuntary Collection for Commercial Garnishments</li> </ul> <a href="https://www.milsuite.mil/book/groups/navy-djms-procedures-training-guide">https://www.milsuite.mil/book/groups/navy-djms-procedures-training-guide</a>
3.	Navy DJMS Procedures Training Guide (PTG)	Appendix L: Remission of Indebtedness or Waiver of Debts to the Government <a href="https://www.milsuite.mil/book/groups/navy-djms-procedures-training-guide">https://www.milsuite.mil/book/groups/navy-djms-procedures-training-guide</a>
4.	DJMS Navy Procedures Training Guide (PTG): Part 9 Chapter 10	Submitting Documentation via DWOWS <a href="https://www.milsuite.mil/book/groups/navy-djms-procedures-training-guide">https://www.milsuite.mil/book/groups/navy-djms-procedures-training-guide</a>
5.	Defense Finance and Accounting Service (DFAS-IN)	IATS User Guide (Current Edition)

**FORMS**

<b>#</b>	<b>Form #</b>	<b>Title</b>
1.	DD 139	Pay Adjustment Authorization <a href="http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd0139.pdf">http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd0139.pdf</a>
2.	DD 577	Appointment/Termination Record - Authorized Signature <a href="http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd0577.pdf">http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd0577.pdf</a>
3.	DD 1131	Cash Collection Voucher <a href="http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd1131.pdf">http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd1131.pdf</a>
4.	DD 1351-2	Travel Voucher or Subvoucher <a href="http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd1351-2.pdf">http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd1351-2.pdf</a>
5.	DD 1351-2C	Travel Voucher or Subvoucher (Continuation Sheet) <a href="http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd13512c.pdf">http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd13512c.pdf</a>
6.	DD 2481	Request for Recovery of Debt Due the United States by Salary Offset <a href="http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd2481.pdf">http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd2481.pdf</a>
7.	DD 2659	Voucher Control Log <a href="http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd2659.pdf">http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd2659.pdf</a>
8.	DD 2789	Waiver/Remission of Indebtedness Application <a href="http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd2789.pdf">http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd2789.pdf</a>

## MILPAY CLERK

STEP #	FLOW TEXT	ADDITIONAL TEXT
1	<p>Conduct Debt Management Oversight/Identify Debt owed to DoD/US Treasury</p>	<p>Conduct Debt Management Oversight/Identify Debt owed to the DoD/US Treasury</p> <p>The purpose of this SOP is to provide procedures that Debt Collection Offices (DCOs) must use in the collection of public debts owed to the Department of Defense (DoD). These debts include amounts outstanding from civilian employees, Service Members, retired personnel, and other individuals. As such, the procedures in this SOP apply to administrative actions associated with the collection of debts owed to and collected by the DoD.</p> <p>DoD Components involved in the collection and management of debts owed to DoD must adhere to the basic standards for internal controls prescribed in <a href="#">DoD Instruction 5010.40</a>, "Managers' Internal Control Program (MICP) Procedures." DoD Components will establish and maintain internal controls to ensure that debts owed to DoD are recorded, reported, managed, and aggressively collected.</p> <p>Each DoD Component must establish and maintain a debt management program to identify, recover, and collect debts owed by individuals to the United States. DoD Components must clearly designate the DCOs responsible for the recovery and collection of debts within the DoD Component. The recovery of debts must be undertaken promptly, using a strategy that is determined to result in the maximum recovery of debt. DoD Components must ensure debtors are afforded due process, in the form of proper debt notification and the right to review, in accordance with <a href="#">DoD FMR Volume 16</a> and applicable regulations and guidance issued by the Department of the Treasury. DoD Components must establish guidance that clearly assigns responsibilities for processing, monitoring, reporting, and closing out delinquent debts.</p> <p>The instructions in this SOP do not apply to the collection of child support or alimony or to commercial, non-DoD debts owed by civilian employees and Service Members through garnishment or involuntary allotment. Refer to Volume 7A, Chapters 41 and 43; Volume 7B, Chapter 27; and Volume 8, Chapter 8 for guidance pertaining to garnishments and involuntary allotments.</p> <p>Note: For the purposes of this SOP Debt Collection Offices (DCOs) are synonymous with MILPAY Offices</p>

## MILPAY CLERK

STEP #	FLOW TEXT	ADDITIONAL TEXT
1.1	Monitor reports/comply with processes to identify Debt owed to DoD/US Treasury	<p>Travel Clerk/Travel Supervisor/MILPAY Clerk/DDO monitor daily/monthly reports and comply with established processes to identify Debt owed to the DoD/US Treasury</p> <p>The indebtedness may be computer generated or input directly by either DFAS-CL or field site for indebtedness outside of Immediate Access Storage (IAS), or to post a period of non-entitlement for pay and allowances. MILPAY must notify the civilian employees, Service Members, retired personnel, and other individuals of the indebtedness.</p> <p>Debt may be identified by any of the following report notifications/processes:</p> <ul style="list-style-type: none"> <li>• Review of DMO/DMR Daily Feedback Management Report</li> <li>• Review of DMO/DMR Monthly (Suspended) Debt Management Report</li> <li>• Receipt of DD 139 from an outside organization (external to NPPSC PAYPERS)</li> <li>• Identification of Travel Overpayment (from Travel SOPs)</li> <li>• Identification of Debt while processing Separation Pay (debt identified as part of Separation Worksheet submission) – any process that results in a Strength Loss (from Separation, Fleet Reserve/Retirement, or Reserve Component Demobilization SOPs)</li> </ul>
1.2	Was Debt Notification received by outside organization?	<p>Was Debt Notification received by outside organization?</p> <p>Did MILPAY receive a DD 139 from an outside organization (external to NPPSC PAYPERS)</p> <p>If Yes, go to 1.3 If No, go to 1.7</p>
1.3	Review DD 139/DD 2481 and additional documentation received from	<p>MILPAY Clerk reviews DD 139/DD 2481 and additional documentation received from Outside Activity</p> <p>Procedures for Requesting Administrative Offset Within the DoD</p>

**MILPAY CLERK**

STEP #	FLOW TEXT	ADDITIONAL TEXT
	Outside Activity	<p>(1) Requests by a DCO from one DoD Component for administrative offset against a Service Member or civilian employee of another DoD Component are initiated by sending a DoD (DD) Form 139, Pay Adjustment Authorization; DD 2481, Request for Recovery of Debt Due the United States by Salary Offset; other prescribed authorized form; or an automated transaction to the debtor's payroll processing activity.</p> <p>(2) The request must include a certification from the DCO that the debtor owes the debt and that the requesting DCO has fully complied with regulatory requirements (including all due process requirements) concerning administrative offset.</p> <p>(3) The request must include a mailing address, e-mail address, and phone number for the point of contact at the DCO who will respond to questions or disputes from the debtor.</p> <p>(4) When a debtor consents to administrative offset in writing or signs a statement acknowledging receipt of due process procedures, the requesting DCO must include the debtor's consent with the request for offset, along with the certification and all supporting documentation. Administrative offset cannot be accomplished until the DCO has provided all of the supporting documentation for the debt.</p> <p>NEXCOM Procedures: When a member is indebted to a service exchange, the service exchange may forward the determination to DFAS. DFAS will honor the request based on written certification from the Exchange Command that it complied with due process requirements found in Chapter 2. If the member has not paid the debt within 60 days from the date of the debt notification letter, then the Exchange Command may submit a DD Form 139, Pay Adjustment Authorization, to DFAS. DFAS will collect the amount owed to the Exchange Command in accordance with the priority of pay deductions and collections in Volume 7A, Chapter 52.</p>
1.4	Has outside agency conducted due process and/or is documentation sufficient?	<p>Has outside agency conducted due process and/or is documentation sufficient?</p> <p>If Yes, go to 1.6 (Process Debt Collection)</p> <p>If No, go to 1.5 (Return request to outside agency to perform "Due Process" notification and/or correct/complete documentation)</p>



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		MILPAY should not process DD 139s requesting involuntary pay offset unless creditor organization prepared forms contain the following statement: "Member has been provided due process" or a signed consent agreement is attached to the DD 139.
1.5	Return DD 139/DD 2481 to outside agency to perform "due process" notification or correct/complete documentation	MILPAY Clerk returns DD 139/DD 2481 to outside agency to perform "due process" notification or correct/complete documentation  Go to 1.1
1.6	Process Debt Collection for debt referred by Outside Activity	MILPAY Clerk processes Debt Collection for debt referred by Outside Activity  When a debtor has previously been provided with due process with respect to a debt, there is no need to duplicate due process requirements before initiating administrative offset with regard to the same debt. MILPAY Offices will implement salary or administrative offset procedures as funds or monies become due and payable to a debtor.  Go to Step 4  Refer to <a href="#">Navy Procedures Training Guide: Part 7</a> Deductions and Collections Chapter 7: Indebtedness to process applicable Debt Collection Transaction on the Master Military Pay Account (MMPA).
1.7	Does debt meet the criteria for a routine pay adjustment?	Does debt meet the criteria for a routine pay adjustment?  If Yes, go to 1.8 If No, go to 2 "Due Process Notification"  Routine Adjustments. In order to be considered a routine adjustment, a debt must meet all of the following criteria:

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		<p>1. it must result from an MMPA overpayment;</p> <p>2. the MMPA overpayment must be the result of clerical or administrative errors, or of delays in document processing; and</p> <p>3. the overpayment must have occurred within the four pay periods preceding the adjustment or amount to \$50 or less</p> <p>MILPAY Offices are not required to provide due process procedures prior to collecting overpayments of pay and allowances using routine intra-agency pay adjustments. To collect by routine adjustment, the overpayment must have occurred within the four pay periods preceding the adjustment or amount to \$50 or less. Routine adjustments may be necessary due to overpayment attributable to clerical errors, administrative errors, delays in processing pay documents, corrected or late time and attendance data, under deduction of premiums, or incorrect personnel actions.</p>
1.8	Collect debt owed to DoD that meets criteria of routine pay adjustment	<p>MILPAY Clerk collects debt owed to DoD that meets criteria of routine pay adjustment</p> <p>Important Internal Control Action: MMPA verification steps within this SOP reflect important internal control actions that cannot be over-emphasized. This applies to the entire transaction process from its initiation and authorization through the final verification of the proper processing of the transaction in summary records. These particular SOP process steps are built-in management design control activities to ensure that all transactions are properly completed and accurately recorded.</p> <p>Refer to <a href="#">Navy Procedures Training Guide: Part 7</a> Deductions and Collections Chapter 7: Indebtedness to process applicable Debt Collection Transaction on the Master Military Pay Account (MMPA).</p> <p>A. Indebtedness Categories on the Master Military Pay Account (MMPA).</p> <ul style="list-style-type: none"> <li>• DF - Fines and Forfeitures: Although fines and forfeitures are not considered debts, a DF entry is systematically generated to reflect the fine or forfeiture.</li> </ul>

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		<ul style="list-style-type: none"> <li>• DG - Government Property Lost or Damaged: A DG debt transaction is submitted by MILPAY when a member is held pecuniary liable for government property which is lost, damaged, or destroyed.</li> <li>• DQ - Overpayment of Pay and Allowances: A DQ debt entry will be systematically generated when an entitlement is stopped or changed retroactively. A DQ debt transaction will be submitted by MILPAY to post a period of non-entitlement for pay and allowances (e.g., checkage for Career Sea Pay).</li> <li>• DS - Miscellaneous: A DS transaction will be submitted for any other debts that do not fall into any other categories. The entry in the "INDBT-TYPE" field indicates the type of debt.</li> <li>• DV - Repay Advance Pays: A DV entry is systematically generated to reflect the repay schedule of an advance pay entry.</li> <li>• DW - Casual and Partial Payment: A DW debt entry is systematically generated when a partial or casual payment exceeds net pay. When pay is available, the DW will automatically collect what is available until the debt is satisfied.</li> </ul> <p>B. Debt Action Indicators:</p> <ul style="list-style-type: none"> <li>• 01 - Start: Used to post the initial entry for a DG, DQ or DS debt.</li> <li>• 02 - Stop: Used to stop a DG or DS debt.</li> <li>• 04 - Change: Used to change the repayment amount for DG, DQ, DS or DV debt entries.</li> <li>• 05 - Correct: Used to correct the original amount of an indebtedness. NOTE: A system generated debt cannot be corrected.</li> <li>• 06 - Cancel: Used when determination has been made that the debt is erroneous and posted in error. NOTE: A system generated debt cannot be canceled.</li> <li>• 18 - Suspend: Used when a member files a waiver or remission application.</li> <li>• 20 - Resume: Used when waiver/remission is denied or to restart collection action of a suspended debt.</li> <li>• 21 - Remit: Used when waiver/remission is partially or fully approved. (DFAS-CL use only.)</li> </ul>

**MILPAY CLERK**

STEP #	FLOW TEXT	ADDITIONAL TEXT
		<p>Requirements for Routine Pay Adjustments</p> <p>A. DCOs are not required to provide due process procedures prior to collecting overpayments of pay and allowances from Federal employees and Service Members through routine intra-agency pay adjustments that have occurred within the four pay periods preceding the adjustment, or for any adjustments that amount to \$50 or less. Routine pay adjustments may be used to correct clerical errors, administrative errors, or delays in processing pay documents. The debtor must be provided with a written notice of the nature and the amount of the adjustment, as well as a point of contact for questions regarding the adjustment, by the payday for the pay period in which the adjustment is processed, or as soon thereafter as practical.</p> <p>B. Routine pay adjustments include, but are not limited to, correcting overpayments due to corrected or late time and attendance data or late or incorrect personnel actions.</p> <p>C. The amount deducted for the routine adjustment may not exceed 15 percent of disposable pay, unless the debtor has consented in writing to a higher amount. When the debtor is a Service Member, the servicing military pay office will generate a "no pay due" management notice when a debt creates a "no pay due" situation.</p> <p>D. If a DoD debtor's payroll account is moved from one payroll office to another payroll office within the DoD, then the new payroll office has the authority to collect an overpayment made by the former payroll office using routine adjustment procedures.</p>
1.9	Provide notification of routine Pay Adjustment	<p>MILPAY Clerk provides notification of routine Pay Adjustment</p> <p>The DCO must provide the debtor with written notice of the nature and amount of the adjustment as well as a point of contact for questions regarding the adjustment. The information should be provided by the payday for the pay period in which the adjustment is processed, or as soon thereafter as practical. An appropriate notice on the LES meets the requirements for notification.</p> <p>Go to Stop</p>

## MILPAY CLERK

STEP #	FLOW TEXT	ADDITIONAL TEXT
2	<p>Conduct Due Process Notification and Initiate Collection Action</p>	<p>Conduct Due Process Notification and Initiate Collection Action</p> <p>After establishing/identifying a debt, the DCO is responsible for initial debt collection and due process procedures, including the issuance of debt notification letters that comply with all the requirements for debt collection.</p> <p>MILPAY Offices/DDOs must promptly and aggressively initiate collection action on all established debts owed to the DoD and must complete follow-up actions to ensure successful repayment to the DoD. MILPAY must issue the initial Debt Notification Letter to the debtor within 5 working days following confirmation of a valid debt.</p> <p>The DCO is also responsible to ensure that appropriate accounting actions are completed. DCOs must ensure that all debts referred are valid and legally enforceable. DCOs must work to reverse accounting entries for debts subsequently determined not to be valid or legally enforceable.</p> <p>Except for routine, administrative pay adjustments and travel advance liquidation, the written notification must be sent to the member at least 30 days prior to the date the pay checkage is to occur. A further exception to the advance notification rule should be made in those instances in which adherence to the rule would jeopardize the government's chances of collecting the debt in full during the member's period of obligated service. In such instances, written notification must be effected as soon as possible.</p> <p>In the context of Federal debt collection, the constitutional right of "due process" requires an agency to provide debtors with written notice of the debt and an opportunity to dispute the debt. Due process is required prior to an involuntary salary offset or administrative offset. Except under certain limited circumstances, routine pay adjustments or failure to take the offset would substantially prejudice the DoD's ability to collect a debt - e.g., debt identified upon Separation, debtors must receive due process prior to the initiation of debt collection. Written debt notifications must adhere to the requirements of DoD FMR Vol 16 Chapter 2 Section 0205. The procedures for disputing a debt are set out in Chapter 4.</p> <p>Refer to <a href="#">DoD FMR Vol 16 Chapter 2</a>, as required.</p>

## MILPAY CLERK

STEP #	FLOW TEXT	ADDITIONAL TEXT
2.1	Can debt, other than routine pay adjustment, be collected prior to/in conjunction with "due process" notification?	<p>Can debt, other than routine pay adjustment, be collected prior to/in conjunction with "due process" notification?</p> <p>Authority to Initiate Collection Before Due Process is Granted:                      In certain limited circumstances, a DCO may use accelerated procedures to collect a debt by salary or administrative offset prior to, or while providing, notice and an opportunity for review to the debtor. Initiation of the collection before due process is authorized if failure to take the offset would substantially prejudice the DoD's ability to collect a debt, or if the time before payment must be made does not reasonably permit completion of the procedures. When prior notice and an opportunity for review is not provided prior to collection, then such notice and opportunity for review must be given to the debtor as soon as practicable. Any amount recovered by offset, which is found not to be owed by the debtor, must be promptly refunded.</p> <p>If Yes, go to 2.2 (Collect Debt)                      If No, go to 2.3</p>
2.2	Process Debt Collection in advance of/in conjunction with "due process" notification	<p>MILPAY Clerk processes Debt Collection in advance of/in conjunction with "due process" notification</p> <p>Important Internal Control Action: MMPA verification steps within this SOP reflect important internal control actions that cannot be over-emphasized. This applies to the entire transaction process from its initiation and authorization through the final verification of the proper processing of the transaction in summary records. These particular SOP process steps are built-in management design control activities to ensure that all transactions are properly completed and accurately recorded. Refer to Step 4, as required.</p> <p>Note: If a Service Member's Date of Separation (DOS) is imminent and an E5 (separation) transaction has not been received, collection action is to begin immediately.</p>

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STEP #	FLOW TEXT	ADDITIONAL TEXT
		<p>Refer also to <a href="#">Navy Procedures Training Guide: Part 7</a> Deductions and Collections Chapter 7: Indebtedness to process applicable Debt Collection Transaction on the Master Military Pay Account (MMPA).</p> <p>A. Indebtedness Categories on the Master Military Pay Account (MMPA).</p> <ul style="list-style-type: none"> <li>• DF - Fines and Forfeitures: Although fines and forfeitures are not considered debts, a DF entry is systematically generated to reflect the fine or forfeiture.</li> <li>• DG - Government Property Lost or Damaged: A DG debt transaction is submitted by MILPAY when a member is held pecuniary liable for government property which is lost, damaged, or destroyed.</li> <li>• DQ - Overpayment of Pay and Allowances: A DQ debt entry will be systematically generated when an entitlement is stopped or changed retroactively. A DQ debt transaction will be submitted by MILPAY to post a period of non-entitlement for pay and allowances (e.g., checkage for Career Sea Pay).</li> <li>• DS - Miscellaneous: A DS transaction will be submitted for any other debts that do not fall into any other categories. The entry in the "INDBT-TYPE" field indicates the type of debt.</li> <li>• DV - Repay Advance Pays: A DV entry is systematically generated to reflect the repay schedule of an advance pay entry.</li> <li>• DW - Casual and Partial Payment: A DW debt entry is systematically generated when a partial or casual payment exceeds net pay. When pay is available, the DW will automatically collect what is available until the debt is satisfied.</li> </ul> <p>B. Debt Action Indicators:</p> <ul style="list-style-type: none"> <li>• 01 - Start: Used to post the initial entry for a DG, DQ or DS debt.</li> <li>• 02 - Stop: Used to stop a DG or DS debt.</li> <li>• 04 - Change: Used to change the repayment amount for DG, DQ, DS or DV debt entries.</li> <li>• 05 - Correct: Used to correct the original amount of an indebtedness. NOTE: A system generated debt cannot be corrected.</li> </ul>

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		<ul style="list-style-type: none"> <li>• 06 - Cancel: Used when determination has been made that the debt is erroneous and posted in error. NOTE: A system generated debt cannot be canceled.</li> <li>• 18 - Suspend: Used when a member files a waiver or remission application.</li> <li>• 20 - Resume: Used when waiver/remission is denied or to restart collection action of a suspended debt.</li> <li>• 21 - Remit: Used when waiver/remission is partially or fully approved. (DFAS-CL use only.)</li> </ul>
2.5	Review Debt Documentation/Debt Collection Package	<p>MILPAY Clerk/DDO reviews Debt Documentation/Debt Collection Package</p> <p>MILPAY Clerk/DDO reviews debt collection package to verify that debt collection is warranted based upon the processed claim and the supporting documentation.</p>
2.6	Confirm Validity of Debt	<p>MILPAY Clerks confirms Validity of Debt</p> <p>MILPAY Clerk reviews facts of the case, debt documentation and/or Debt Collection Package prepared by external organization (external to MILPAY office, e.g., Travel Office, NEXCOM, Defense Joint Personal Property Office, etc.)</p> <p>The DCO is also responsible to ensure that appropriate accounting actions are completed. DCOs must ensure that all debts referred are valid and legally enforceable. DCOs must work to reverse accounting entries for debts subsequently determined not to be valid or legally enforceable.</p>
2.7	Prepare Debt Notification Letter and assemble Debt Collection Package	<p>MILPAY Clerk prepares Debt Notification Letter and assembles Debt Collection Package, if applicable</p> <p>MILPAY must issue the initial Debt Notification Letter to the debtor within 5 working days following confirmation of:</p> <ol style="list-style-type: none"> <li>(1) the existence and validity of the debt;</li> <li>(2) the basis of indebtedness; and</li> <li>(3) the amount of the debt.</li> </ol>



## MILPAY CLERK

STEP #	FLOW TEXT	ADDITIONAL TEXT
		<p>Refer to <a href="#">DoD FMR Vol 16 Chapter 2 Paragraph 020505 and Figure 2-2</a> for required elements of a Debt Notification Letter.</p> <p>The Debt Notification Letter should also include the following: Collection of your Debt Requesting a Hearing Requesting a Waiver Sample Voluntary Repayment Agreement for Indebtedness</p> <p>Per <a href="#">Navy DJMS Procedures Training Guide Part 7</a> Deductions and Collections Chapter 7 Indebtedness Section A General a minimum of 30 calendar days is the response time in all cases except for unliquidated travel advances in which the standard response time is 15 calendar days.</p> <p>Salary Offset Procedures. Where applicable, state the DCO's intention to collect the debt by means of payroll deductions (salary offset) if payment is not received within 30 days. Identify the amount, frequency, proposed beginning date, and the duration of deductions by salary offset.</p> <p>Collection When Member is at Fault. When the military pay office determines that an overpayment of pay or allowances is the fault of the member, the office must still ensure due process procedures set out in <a href="#">DoD FMR Volume 16 Chapter 2</a> are followed prior to collecting the debt. The military pay office may recover the debt in monthly installments of up to two-thirds of the member's disposable monthly pay. The member may consent to deduction of the debt at a greater percentage.</p> <p>Collection When Member is Not at Fault. When the military pay office determines that an overpayment of pay or allowances is not the fault of the member, it is authorized to recover the debt in monthly installments. The office must still ensure due process procedures set out in Chapter 2 are followed prior to collecting the debt.</p>

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STEP #	FLOW TEXT	ADDITIONAL TEXT
		<p>a. If overpayment was made to a member on or before October 28, 2009, the military pay office will recover the overpayment in monthly installments not to exceed 20 percent of the member's disposable pay for each month. The military pay office may deduct a greater percentage with the member's consent.</p> <p>b. If overpayment was made to a member on or after October 29, 2009, the military pay office will recover the overpayment in monthly installments not to exceed 15 percent of the member's disposable pay for each month. The military pay office may deduct a greater percentage with the member's consent.</p> <p>Important Notes:</p> <ul style="list-style-type: none"> <li>• MILPAY Office must exercise care to ensure the debt notification letter is dated the same day the letter is mailed to the last known address for the debtor or hand-delivered to the debtor.</li> <li>• MILPAY is required to retain a copy of the debt notification letter as part of the debtor's file.</li> <li>• When warranted by the facts of a particular case, MILPAY is not prohibited from issuing a written demand for payment to the debtor prior to issuing the due process debt notification letter; however, salary and administrative offset may only begin after due process has been completed, except under certain limited circumstances, routine pay adjustments or failure to take the offset would substantially prejudice the DoD's ability to collect a debt - e.g., debt identified upon Separation.</li> </ul>
2.8	Submit Debt Collection Package/Debt Notification Letter for review and approval	MILPAY Clerk submits Debt Collection Package/Debt Notification Letter for review and approval

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STEP #	FLOW TEXT	ADDITIONAL TEXT
2.13	Forward/Deliver Debt Notification Letter/Package to Debtor	<p>MILPAY Clerk forwards/delivers Debt Notification Letter/Package to debtor.</p> <p>Effective 19 August 2022 only Commands (excluding surface ships, DESRON and PHIBRON staffs) with an approved Exception to Policy (ETP) will be authorized to utilize Transaction Online Processing System (TOPS) for temporary submission of pay, personnel, and transportation transactions. TOPS transactions submitted without an approved ETP will be marked as "completed" without action and CPPAs will be directed to submit the transaction via enterprise Customer Relations Management (eCRM) or alternatively, request an ETP for temporary use of TOPS. Heretofore, the primary means for submitting pay, personnel, and transportation transactions is via Salesforce/eCRM. Refer to Ops Alert 006/22 for procedures to request an ETP and use TOPS with an approved ETP. All of the NPPSC e-mail Ops Alerts are archived at:</p> <p><a href="https://flankspeed.sharepoint-mil.us.mcas.gov.us/sites/MyNavyHR/MNCC/NPPSC/NPPSC%20OPS%20ALERTS/Forms/AllItems.aspx">https://flankspeed.sharepoint-mil.us.mcas.gov.us/sites/MyNavyHR/MNCC/NPPSC/NPPSC%20OPS%20ALERTS/Forms/AllItems.aspx</a></p> <p>MILPAY Clerk submits Debt Notification letter to debtor by most expeditious means</p> <ul style="list-style-type: none"> <li>• eCRM case to CPPA</li> <li>• Hand-delivered</li> <li>• Mailed to last known address of debtor</li> </ul> <p>MILPAY must exercise care to ensure the debt notification letter is dated the same day the letter is delivered to the CPPA via eCRM, mailed to the last known address for the debtor or hand-delivered to the debtor. The DCO is required to retain a copy of the debt notification letter as part of the debtor's file.</p>
2.17	Initiate Collection Action in order to automate	<p>MILPAY Clerk/DDO initiate Collection Action (Suspended) in order to automate documentation of the debt</p> <p>Important Internal Control Action: MMPA verification steps within this SOP reflect important internal control actions that cannot be over-emphasized.</p>

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STEP #	FLOW TEXT	ADDITIONAL TEXT
	documentation of the debt	<p>This applies to the entire transaction process from its initiation and authorization through the final verification of the proper processing of the transaction in summary records. These particular SOP process steps are built-in management design control activities to ensure that all transactions are properly completed and accurately recorded.</p> <p>Automating Debt Collection and Reporting Systems</p> <p>DoD Components must use automated debt collection and reporting systems to the extent that it is feasible and cost effective for recording, processing, and controlling debts. The DCFO created the DDMG, signed August 31, 2012, which defines the end-state of debt management through the incorporation of Services' and Agencies' ERP systems. These systems should be utilized to the fullest extent possible in compliance with the DDMG.</p> <p>Automate documentation of the debt (suspended) in accordance with procedures in the Navy DJMS PTG.</p> <p>Refer also to <a href="#">Navy Procedures Training Guide: Part 7</a> Deductions and Collections Chapter 7: Indebtedness to process applicable Debt Collection Transaction on the Master Military Pay Account (MMPA).</p> <p>A. Indebtedness Categories on the Master Military Pay Account (MMPA).</p> <ul style="list-style-type: none"> <li>• DF - Fines and Forfeitures: Although fines and forfeitures are not considered debts, a DF entry is systematically generated to reflect the fine or forfeiture.</li> <li>• DG - Government Property Lost or Damaged: A DG debt transaction is submitted by MILPAY when a member is held pecuniary liable for government property which is lost, damaged, or destroyed.</li> <li>• DQ - Overpayment of Pay and Allowances: A DQ debt entry will be systematically generated when an entitlement is stopped or changed retroactively. A DQ debt transaction will be submitted by MILPAY to post a period of non-entitlement for pay and allowances (e.g., checkage for Career Sea Pay).</li> </ul>

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STEP #	FLOW TEXT	ADDITIONAL TEXT
		<ul style="list-style-type: none"> <li>• DS - Miscellaneous: A DS transaction will be submitted for any other debts that do not fall into any other categories. The entry in the "INDBT-TYPE" field indicates the type of debt.</li> <li>• DV - Repay Advance Pays: A DV entry is systematically generated to reflect the repay schedule of an advance pay entry.</li> <li>• DW - Casual and Partial Payment: A DW debt entry is systematically generated when a partial or casual payment exceeds net pay. When pay is available, the DW will automatically collect what is available until the debt is satisfied.</li> </ul> <p>B. Debt Action Indicators:</p> <ul style="list-style-type: none"> <li>• 01 - Start: Used to post the initial entry for a DG, DQ or DS debt.</li> <li>• 02 - Stop: Used to stop a DG or DS debt.</li> <li>• 04 - Change: Used to change the repayment amount for DG, DQ, DS or DV debt entries.</li> <li>• 05 - Correct: Used to correct the original amount of an indebtedness. NOTE: A system generated debt cannot be corrected.</li> <li>• 06 - Cancel: Used when determination has been made that the debt is erroneous and posted in error. NOTE: A system generated debt cannot be canceled.</li> <li>• 18 - Suspend: Used when a member files a waiver or remission application.</li> <li>• 20 - Resume: Used when waiver/remission is denied or to restart collection action of a suspended debt.</li> <li>• 21 - Remit: Used when waiver/remission is partially or fully approved. (DFAS-CL use only.)</li> </ul>
3	Review Debt Notification Letter/Debt Collection Package and Determine Options	<p>Review Debt Notification Letter/Debt Collection Package and Determine Options</p> <p>In accordance with <a href="#">DoD FMR Volume 4 Chapter 3</a> debtors are entitled to due process, consisting of a notice and an opportunity to review and dispute the indebtedness, prior to the initiation of debt collection unless otherwise required by statute.</p>

**MILPAY CLERK**

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		<p>Due process is the notice of indebtedness or opportunity provided the debtor to dispute the indebtedness. The Fifth Amendment of the U.S. Constitution provides that no person shall "be deprived of life, liberty or property without due process of law..." The minimum "due process" required is generally established by the statutes that authorize the use of a specified debt collection tool or by implementing regulations. In the context of federal debt collection, the constitutional right of "due process" requires the debtor be provided with notice of, and the opportunity to dispute, a debt or intended debt collection action.</p> <p>The opportunity to dispute the debt or the adverse collection action to be taken includes, at a minimum, an opportunity for the debtor to challenge</p> <ul style="list-style-type: none"> <li>(1) the existence of all or part of the debt, and/or</li> <li>(2) whether the statutory or regulatory prerequisites have been met for using</li> </ul> <p>the collection action identified in the Debt Notification Letter.</p> <p>Note: If Debtor fails to make remittance or exercise rights within 30 days from the date of the Debt Notification Letter (15 days for Travel debt), the debt will be deducted from the next available payroll check. For any questions regarding the overpayment, please contact your servicing TSC MILPAY Office, as applicable.</p>
3.3	Does Debtor make written request for records pertaining to the debt?	<p>Does Debtor make written request for records pertaining to the debt?</p> <p>Requesting Records: A debtor may make a written request to the DCO for records related to the debt. A request for records must be made prior to the deadline for submitting a request for review.</p> <p>Within 45 days after the date the records are distributed to the debtor, the debtor must submit a written request for review to the DCO or the debtor will waive his or her right to review.</p>

## MILPAY CLERK

STEP #	FLOW TEXT	ADDITIONAL TEXT
3.4	Distribute records related to the debt to the debtor	<p>MILPAY Clerk distributes records related to the debt to the debtor</p> <p>Request for records: MILPAY will provide the member with copies of relevant documentation pertaining to the debt. If MILPAY does not have possession of the specific records, a request will be made to the appropriate source. Unless the member indicates that the missing record is critical to a possible question concerning the validity of the debt, collection action will commence while the record is being located.</p> <p>After examination of all records pertaining to the debt. If the Debtor believes the debt has already been paid, then the debtor will compile documentation to substantiate that the debt was previously paid, and submit documentation to the DDO.</p> <p>If Debtor otherwise considers the debt to be invalid, then debtor will provide basis for the objection to the debt and any documentary evidence to support the objection and inform the Deputy Disbursing Officer, either orally or in writing, explaining justification.</p>
3.8	Suspend Debt Collection processing	<p>MILPAY Clerk/DDO suspend Debt Collection Processing, if required</p> <p>Refer to <a href="#">Navy Procedures Training Guide</a>: Part 7 Deductions and Collections Chapter 7: Indebtedness to process applicable Debt Collection Suspension Transaction on the Master Military Pay Account (MMPA).</p> <p>To request a review/reconsideration, the debtor must submit, in a timely manner, a petition which meets the requirements of <a href="#">DoD FMR Volume 16</a> Subparagraph 040202.B. The timely filing of a petition will stay the beginning of collection procedures until the results of the review have been rendered.</p>
3.9	Is petition sufficient?	<p>Is petition sufficient?</p> <p>If Yes, go to 3.12</p> <p>If No, go to 3.10</p>

## MILPAY CLERK

STEP #	FLOW TEXT	ADDITIONAL TEXT
		<p>Action by DCO on Hearing Petitions:</p> <p>Hearing Petition is Insufficient. The DCO is responsible for reviewing the hearing petition for sufficiency based on the requirements of <a href="#">DoD FMR Volume 16</a> Chapter 4 subparagraph 040202.B. DCO must retain and identify as insufficient any hearing petitions that do not contain the required information.</p>
3.10	Notify Debtor of insufficient petition	<p>MILPAY Clerk notifies Debtor of insufficient petition</p> <p>DCO must notify the debtor in writing that his or her hearing petition was insufficient, and request that the debtor submit additional information within 30 days from the date of the written notice of insufficiency. The DCO must advise the debtor that if he or she fails to submit additional information within 30 days of the written notice of insufficiency, the hearing request will be denied.</p>
3.12	Perform a review/reconsideration of the debt	<p>MILPAY Clerk/DDO perform a review/reconsideration of the debt</p> <p>Upon receipt of the request for review/reconsideration, the DCO will consider the information, and any documentary evidence contained in the debtor's request and will perform a review and validation of the debt. The DCO must issue the written review results to the debtor.</p> <p>Note: Technically reconsideration is an informal examination of internal debt records by the DCO to validate the debt without appointment of a hearing official and is the first step in the hearing process. It is not the formal hearing. The DCO must issue the written reconsideration results to the debtor. Once the debtor receives the results, he or she must notify the DCO of his or her intent to continue with a formal hearing within 30 days from the date of the reconsideration, or by the date indicated in the reconsideration letter. If the debtor proceeds with a formal hearing, a hearing will be held by a hearing official who will make a written determination regarding the validity or amount of the debt, or on the proposed involuntary repayment schedule.</p>
3.13	Prepare written results of debt review/reconsideration and	<p>MILPAY Clerk/DDO prepare written results of debt review/reconsideration and forward to debtor.</p>



## MILPAY CLERK

STEP #	FLOW TEXT	ADDITIONAL TEXT
	forward to debtor.	<p>Reconsideration. Reconsideration is the first step in the hearing process. The DCO must perform the reconsideration once the debtor submits a timely and sufficient hearing petition. Reconsideration is the informal reexamination of the debtor's pay records by the DCO to validate the amount of the debt and to satisfy any doubt the debtor may have regarding the amount or validity of the debt. The DCO must determine if the debt is valid and issue the written results of the reconsideration to the debtor.</p> <p>Refer to <a href="#">DoD FMR Volume 16 Chapter 4</a> Figure 4-1 for a sample reconsideration letter that can be issued to the debtor.</p> <p>Time Limit for Performing Reconsideration. The DCO should issue written results of the reconsideration to the debtor within 15 days of receipt of the hearing petition. If the DCO needs additional time to investigate the debt, the DCO should advise the debtor of the delay in writing and include an estimate of when he or she can expect a final determination.</p> <p>Written Review Results. Written results should be provided within 60 calendar days and contain the following information:</p> <ol style="list-style-type: none"><li>1. A brief statement of the DCO's determination regarding the validity or amount of the debt or the involuntary repayment schedule.</li><li>2. A request that the debtor pay the debt in full within 15 calendar days following the date of the letter, authorize a voluntary one-time offset to repay the debt, or agree to pay the debt in regular installments pursuant to a voluntary repayment agreement;</li><li>3. A statement that the offset will begin with the pay period in which the deadline expires, unless the debtor informs the DCO of his or her decision regarding the above options;</li><li>4. The amount of the offset; and</li><li>5. A reminder of the debtor's right to request a waiver or remission of the debt.</li></ol> <p>Note: If the DCO determines a portion or all of the debt is invalid, or the involuntary repayment schedule should be revised, the DCO will adjust the debt amount or repayment schedule accordingly and will inform the debtor in the review results.</p>

## MILPAY CLERK

STEP #	FLOW TEXT	ADDITIONAL TEXT
3.14	Did review/reconsideration invalidate all or part or part of the debt or change the repayment schedule?	<p>Did review/reconsideration invalidate all or part or part of the debt or change the repayment schedule?</p> <p>If Yes, go to 3.15 If No, go 3.17</p> <p>If the review/reconsideration invalidates all or part of the debt, then the review/reconsideration letter must inform the debtor of the finding</p>
3.15	Process change/correction/cancellation of Debt and/or repayment schedule in NSIPS, as applicable	<p>MILPAY Clerk/DDO process change/correction/cancellation of Debt and/or repayment schedule in NSIPS, as applicable</p> <p>Refer to <a href="#">Navy Procedures Training Guide</a>: Part 7 Deductions and Collections Chapter 7: Indebtedness to process applicable Debt Collection Change, Correction, or Cancellation transaction on the Master Military Pay Account (MMPA).</p> <p>When Review/Reconsideration Invalidates the Debt. If the DCO determines all or part of the debt is invalid, then the reconsideration letter must inform the debtor of the finding, and the DCO must take action to change, correct or dismiss the debt, as applicable.</p> <p>Note: MILPAY Clerk may also be required to change, correct, or cancel the suspense in additional system (e.g., WINIATS for Travel Debt)</p>
3.16	Was all of the debt considered invalid	<p>Was all of the debt considered invalid?</p> <p>If Yes, go to Stop If No, go to 3.17</p>
3.20.4	Suspend collection activity pending waiver determination, only if	<p>MILPAY Clerk/DDO suspend collection activity pending waiver determination, only if considered appropriate</p> <p>Suspension of Debt Collection Pending Waiver Determination: Collection of a debt should not routinely be suspended pending waiver determination. The DCO will determine, in each case, whether suspension</p>

## MILPAY CLERK

STEP #	FLOW TEXT	ADDITIONAL TEXT
	considered appropriate	<p>of collection or a delay in implementing collection action, would be appropriate based on the following criteria:</p> <ul style="list-style-type: none"> <li>• Waiver will likely be granted</li> <li>• Erroneous payment can be recovered if waiver is not granted, or</li> <li>• Collection of the debt would cause undue financial hardship</li> </ul>
3.22	Process cancellation of Debt and/or repayment schedule in NSIPS, as applicable	<p>MILPAY Clerk/DDO processes cancellation of Debt and/or repayment schedule in NSIPS, as applicable</p> <p>Refer to <a href="#">Navy Procedures Training Guide</a>: Part 7 Deductions and Collections Chapter 7: Indebtedness to process applicable Debt Collection Cancellation transaction on the Master Military Pay Account (MMPA).</p> <p>Coordinate with DFAS to process remission/waiver of debt in MMPA.</p> <p>21 - Remit: Used when waiver/remission is partially or fully approved. (DFAS-CL use only.)</p> <p>Go to Stop</p>
3.25	Has Debtor submitted a proposed installment agreement?	<p>Has Debtor submitted a proposed installment agreement?</p> <p>Refer to Debt Notification Letter Encl. 4 - Sample Voluntary Repayment Agreement for Indebtedness</p> <p>A debtor may negotiate the terms of an installment repayment schedule if the schedule proposed by the agency would subject the employee to an extreme financial hardship. An extreme financial hardship means the proposed repayment schedule would prevent the debtor from meeting the costs necessary for essential subsistence expenses of the debtor, the debtor's spouse, and dependents. Essential subsistence expenses include costs incurred for food, housing, necessary public utilities, clothing, transportation, and medical care. Upon the agency's request, the debtor must submit financial statements in support of a proposed installment payment plan. The agency may enter into installment agreements only when</p>

## MILPAY CLERK

STEP #	FLOW TEXT	ADDITIONAL TEXT
		<p>there is sufficient evidence the debtor will be able to abide by the terms of the agreement, including the repayment schedule.</p> <p>If Yes, go to 3.26 If No, go to 4</p>
3.26	Review Debtor Installment Agreement	<p>MILPAY Clerk/DDO review Debtor Installment Agreement</p> <p>Refer to <a href="#">DoD FMR Volume 16 Chapter 2</a> Section 0208 Considering and Processing Installment Agreements</p> <p>The DCO/DMO/DCMO must review the proposed installment agreement submitted by the debtor using the criteria set out in paragraph 020801 and must notify the debtor as to whether the proposed agreement is acceptable.</p> <p>General. If the Component determines that the debtor is financially unable to pay a debt in a lump-sum, then the DoD may accept voluntary repayment from the debtor in regular installments, rather than proceeding with collection by an involuntary salary or administrative offset. Installment agreements must be in writing as specified in <a href="#">DoD FMR Volume 16 Chapter 2</a> Paragraph 020802. DCOs must include a copy of a voluntary repayment agreement in the debt notification issued to the debtor.</p> <p>Amount of Installment Payment for Individual Debt. The size and frequency of installment payments should bear a reasonable relation to the size of the debt and the debtor's ability to pay. Installment payments should be at least \$50 per month unless a debtor can prove financial hardship. The installment payments should be sufficient in size and frequency to liquidate the debt in 3 years or less; however, a greater amount of time may be appropriate based on the size of the debt and the debtor's ability to repay. An installment payment plan is typically only appropriate if the total debt amount is at least 5 percent of the individual's annual disposable pay. Unless voluntarily agreed to by the debtor, the amount of the installment payments from an individual's current pay or salary must not exceed the offset percentages established in <a href="#">DoD FMR Volume 16 Chapter 2</a> Subparagraph 020902.C.</p>

## MILPAY CLERK

STEP #	FLOW TEXT	ADDITIONAL TEXT
		The DCO must obtain signed, legally enforceable, written installment agreements (such as a Voluntary Repayment Agreement or Promissory Note) from the debtor. Such agreements must specify the terms agreed upon by the parties, including terms governing the assessment of IPA charges. The agreement must contain a provision for accelerating the debt, which requires that the remaining debt balance be due and payable immediately upon the debtor's default on the agreement. The agreement must state that the DCO will require the debtor to submit financial statements annually, as necessary, whenever the repayment period exceeds 3 years.
3.27	Is Installment Agreement acceptable?	<p>Is Installment Agreement acceptable?</p> <p>If No, go to 3.28 If Yes, go to 4</p> <p>Receipt of an Acceptable Agreement. After receiving a signed agreement, the DCO will begin collecting the debt pursuant to the agreement. If requested by the debtor, and agreed to by the agency, the remittance may be deferred for up to 2 pay periods with the agreement adjusted to reflect that deferral.</p>
3.28	Notify Debtor of unacceptable Installment Agreement proposal	<p>MILPAY Clerk/DDO notify Debtor of unacceptable Installment Agreement proposal</p> <p>If the DCO determines a proposed repayment agreement submitted by an individual debtor is unacceptable, then the DCO must notify the individual debtor in writing. The debtor will then have 30 days from the date of the written notice to request a special review by the DCO or file a petition for a hearing under <a href="#">DoD FMR Volume 16 Chapter 4</a>, Paragraph 040202.</p>
3.29	Resolve Installment Agreement with Debtor	MILPAY Clerk/DDO resolve Installment Agreement dispute with Debtor
4	Process Collections and Clear Suspense	<p>Process Collections and Clear Suspense</p> <p>The following are the most common recovery tools or methods of collection used to collect debts owed to the DoD:</p>

## MILPAY CLERK

STEP #	FLOW TEXT	ADDITIONAL TEXT
		<p>A. Voluntary Repayment or Voluntary Offset</p> <ul style="list-style-type: none"><li>Cash Repayment</li><li>Payroll Deductions (Salary Offset)<ul style="list-style-type: none"><li>One Time/Lump Sum Deduction (Salary Offset)</li><li>Installment Deductions (Salary Offset)</li></ul></li></ul> <p>B. Involuntary Repayment by Salary Offset.</p> <p>C. Administrative Offset.</p> <ul style="list-style-type: none"><li>• Refer to <a href="#">DoD FMR Volume 16 Chapter 3</a> Section 0302 Collection of Debt from Current, Separating, Transferring and Retired DoD Civilian Employees</li><li>• Refer to DoD FMR Volume 16 Chapter 3 Section 0303 Collection of Debt from Active and Reserve Members</li><li>• Refer to DoD FMR Volume 16 Chapter 3 Section 0304 Collection of Debt from Military Retirees and SBP Annuitants</li><li>• Refer to DoD FMR Volume 16 Chapter 3 Section 0305 Collection of Debt from Former Employees, Former Members and Other Non-DoD Related Debtors</li></ul> <p>Due Process Procedures: Before initiating any collection action the Debtor will be given at least 30 days written notice of the indebtedness. These procedures do not apply when the Debtor has previously consented to the collection of the debt.</p> <p>If Debtor fails to make remittance or exercise rights, usually within 30 days from the date of the Debt Notification Letter, the debt will be deducted from the next available payroll check.</p> <p>The DCO must document all debt collection activities, including how the debt was established, due process procedures, installment payment plan agreements, any collection activity and/or the basis for debt compromise, suspension, or termination of collection action. The DCO must also document bankruptcy activity if applicable. Documentation should be retained in individual debtor files and provided to the office responsible for recording and reporting of the related accounts receivable.</p>

## MILPAY CLERK

STEP #	FLOW TEXT	ADDITIONAL TEXT
4.4.1	Prepare a DD 1131 to support the collection	<p>MILPAY Clerk will prepare a DD 1131 to support the collection. The DD 1131 will be prepared as prescribed in <a href="#">DoD FMR, Vol. 5</a>, par. 100404. Credit will be to the appropriation data to which the debtor's pay is charged. MILPAY will distribute the DD 1131 as follows:</p> <ul style="list-style-type: none"> <li>• MILPAY Returns: Original and two copies</li> <li>• MILPAY Retained File: Copy</li> <li>• Member: Signed copy acknowledging receipt of cash</li> </ul>
4.4.2	Update DD 2659 to reflect cash payment of Debt to US Treasury	<p>MILPAY Clerk updates DD 2659 to reflect cash payment of Debt to US Treasury</p> <p>After cash, checks and money orders are processed by the disbursing office. The disbursing office updates a DD Form 2659, and assigns a Collection Voucher (CV) number to the payment.</p>
4.4.3	Prepare and submit reports to update debt in MMPA	<p>MILPAY Clerk/DDO prepare and submit reports to update debt in MMPA</p> <p>Important Internal Control Action: MMPA verification steps within this SOP reflect important internal control actions that cannot be over-emphasized. This applies to the entire transaction process from its initiation and authorization through the final verification of the proper processing of the transaction in summary records. These particular SOP process steps are built-in management design control activities to ensure that all transactions are properly completed and accurately recorded.</p> <p>MILPAY will prepare and submit a C203-REPORT COLLECTIONS APPLIED TO MEMBER'S INDEBTEDNESS transaction to post the cash collection on the MMPA. MILPAY will also submit a C903-REPORT COLLECTION VOUCHER TOTAL transaction for voucher balancing.</p> <p>Note 1: Note: MILPAY Clerk may also be required to update the suspense in additional system (e.g., WINIATS for Travel Debt)</p> <p>Note 2: For Cash Collection for Partial Amount with Remainder by One-Time Pay Checkage MILPAY will also process DQ04-CHANGE OVERPAYMENT PAY AND ALLOWANCES transaction to adjust the repay amount of the DQ entry.</p>

## MILPAY CLERK

STEP #	FLOW TEXT	ADDITIONAL TEXT
4.4.4	Compile documentation and update/archive Retain File	<p>MILPAY Clerk compiles documentation and updates/archives Retain File.</p> <p>Important Document Retention Action: IAW <a href="#">Department of the Navy Memo dated 30 June 2020</a> "Revised Record Retention Requirements to Support Department of the Navy Financial Statement Audits" financial record retention requirements are now ten years.</p> <p>Important Update: Transaction Service Centers (TSCs) are no longer required to archive KSDs in DON TRACKER RM. Retain documents shall be archived in enterprise Customer Relations Management (eCRM) System and NP2, as an interim solution, until approval of a MyNavy HR solution for permanent archiving of KSDs is determined. In short for Retain File KSDs, eCRM is an approved document storage (archive) application for cases submitted within that application and DON TRACKER RM for cases submitted via TOPS.</p>
4.5	Determine Salary Offset	<p>MILPAY Clerk determines Salary Offset</p> <p>Authorized salary offsets per <a href="#">DoD FMR Volume 16</a>:</p> <p>Disposable Pay. Disposable pay is the current pay that remains after any legally required deductions from earnings are withheld.</p> <p>All involuntary salary offset is limited to a maximum of 15 percent of the debtor's disposable pay unless the debtor gives written consent to deductions at a greater percentage. Involuntary salary offset will normally be established at this maximum rate. If salary offset mistakenly exceeds 15 percent of disposable pay when the debtor has not consented to deductions at a greater percentage, the DCO will refund the difference to the debtor upon the debtor's request.</p> <p>Collection When Member is at Fault. When the military pay office determines that an overpayment of pay or allowances is the fault of the member, the office must still ensure due process procedures set out in DoD FMR Volume 16 Chapter 2 are followed prior to collecting the debt. The military pay office may recover the debt in monthly installments of up to two-thirds of the member's disposable monthly pay. The member may consent to deduction of the debt at a greater percentage.</p>



## MILPAY CLERK

STEP #	FLOW TEXT	ADDITIONAL TEXT
		<p>Collection When Member is Not at Fault. When the military pay office determines that an overpayment of pay or allowances is not the fault of the member, it is authorized to recover the debt in monthly installments. The office must still ensure due process procedures set out in Chapter 2 are followed prior to collecting the debt.</p> <p>a. If overpayment was made to a member on or before October 28, 2009, the military pay office will recover the overpayment in monthly installments not to exceed 20 percent of the member's disposable pay for each month. The military pay office may deduct a greater percentage with the member's consent.</p> <p>b. If overpayment was made to a member on or after October 29, 2009, the military pay office will recover the overpayment in monthly installments not to exceed 15 percent of the member's disposable pay for each month. The military pay office may deduct a greater percentage with the member's consent.</p>
4.7	Update Suspense in additional system, if required	<p>MILPAY Clerk updates Suspense in additional system, if required</p> <p>Since there is no interface between payroll systems and WINIATS to post CV#s systemically, users must manually post a CV# in order to clear these items from the suspense file.</p>
4.8	Compile documentation and update/archive Retain File	<p>MILPAY Clerk compiles documentation and updates/archives Retain File. Important Document Retention Action: IAW <a href="#">Department of the Navy Memo dated 30 June 2020</a> "Revised Record Retention Requirements to Support Department of the Navy Financial Statement Audits" financial record retention requirements are now ten years.</p> <p>Important Update: Transaction Service Centers (TSCs) are no longer required to archive KSDs in DON TRACKER RM. Retain documents shall be archived in enterprise Customer Relations Management (eCRM) System and NP2, as an interim solution, until approval of a MyNavy HR solution for permanent archiving of KSDs is determined. In short for Retain File KSDs, eCRM is an approved document storage (archive) application for cases submitted within that application and DON TRACKER RM for cases submitted via TOPS.</p>

**STOP**