



Pension & Fiduciary Service

Inquiry Response Highlights

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PENSION MANAGEMENT CENTER RELATED INQUIRIES

AMBIGUOUS INFORMATION

Target Audience: PMC Claims Processors

Background: The St. Paul PMC had requested clarification concerning ambiguous information.

Scenario 1: A properly completed VA Form 21-0820 is received and states the following: "A recent field examination shows differences in income, net worth or medical expenses." This is the extent of the report.

P&F Service Response 1: As noted within its Prologue, the M21-1 is a set of general guidelines designed to provide procedures for the most common situations that may arise in the claims process. M21-1 users should read its contents in harmony with the whole of Compensation Service and Pension and Fiduciary Service's collective guidance. The complexities of claims processing are considerable, and the M21-1 is not designed to provide policies or procedures for every possible scenario. Users will need to apply guidance in the M21-1 on a case-by-case basis, using sound judgment based on the law and basic adjudication principles.

See below for the specific response to each scenario.

P&F is currently updating FPM I.2.E.3.d to direct Fiduciary Hubs to provide all relevant details about a change in income, net worth or medical expenses when establishing an end product that requires action from the pension management centers (PMCs). The Fiduciary Hub will include amounts, dates and pertinent information on VA Form 27-0820 instead of a general statement, so the PMCs are able to take action. The VA Form 27-0820 will also have the field examiners contact information. If the information provided is insufficient and additional clarification is needed, PMCs should contact the field examiner. Per M21-1 I.2.A.1.d, notices from a field examiner may be considered first party when reported on a VA Form 27-0820. In these instances, the claims processor would review the information on VA Form 27-0820 and take action to adjust the award.

Scenario 2:

A written correspondence is received from a 'concerned citizen' who says "I know my neighbor, who is only 45 years old, receives a pension from VA that was awarded based on a disability. My neighbor is in no way disabled, as he is currently on his roof now hanging Christmas lights. I just know taxpayers would not be happy with this fraud."

P&F Service Response 2:

When VA receives information from a third party and the information justifies a proposed adverse action, then the claims processor should issue a notice of proposed adverse action. Refer to M21-1 I.2.A.1.d and M21-1 I.2.A.2.a for the requirements of notices of proposed adverse action. If after making a preliminary decision it is determined that a fraudulent act might have occurred, a copy of the notice of proposed adverse action should also be sent to the Office of Inspector General Regional Field office that has jurisdiction over the Regional Office. When deciding if the information justifies a proposed adverse action, the claims processor should keep in mind that not all disabilities prevent physical activity. For example, in this instance if the Veteran has post-traumatic stress disorder, it would not prevent him from hanging Christmas lights.

Result: Clarification provided.

FIDUCIARY HUB RELATED INQUIRIES

QUESTION REGARDING APPLICATION OF MANUAL TO FIELD EXAM FOR NON- LIQUID ASSETS

Target Audience: Fiduciary Hub personnel

Background: The Indianapolis Fiduciary Hub submitted a question regarding the application of manual to field exam for non-liquid assets.

Question 1: Does the service want the FE to report these details for the non-liquid asset, or merely list the non-liquid asset? See screenshot of liquid and non-liquid assets below showing the different in reporting.

P&F Service Response 1: FPM, Part I, 2.C.4.g provides the field examination report documentation requirements. The documentation requirements for personal property or other items that may not easily be converted into cash include asset description, asset value, amount owed, percent owned and co-owner's name, if any. These are the details that must be reported on the field examination and can be documented in the DESCRIPTION field of the asset being described.

Question 2: The chart at I.2.C.4.g. lists "luxury items" and real estate. However, the drop-down does not allow for non-liquid items typically reported (i.e. Jewelry, gun collection, stamp collection, art, etc.). Does the service want the FE to report only the categories listed in the drop-down? See "add asset" screenshot below.

P&F Service Response 2: FPM, Part I, 2.C.4.g states that the field examiner must review and document all the non-liquid assets in the field examination report. Items such as jewelry, a gun collection, art, etc., must be documented. The details regarding these items may be documented in the Comments and Observations section of the field examination report.

Question 3: Items such as vehicle, pre-need burial, etc., are not covered in the table at I.2.C.4.g. non-liquid as they are neither luxury nor real-estate, however they are included in the drop down as a category. Does the service want these items to be reported? Again, the details do not appear for these items.

P&F Service Response 3: The table in FPM, Part I, 2.C.4.g lists "property or other items that may not be easily converted into cash" and this includes vehicles, pre-need burial, etc. These must be documented and the details of which can be provided in the DESCRIPTION box of the asset being reported in the field examination report.

Result: Clarification provided.

QUESTION REGARDING - BF 16 COURT ACCOUNTING APPROVAL LETTER & BF 27 - DISAPPROVED LETTER

Target Audience: Fiduciary Hub personnel

Question: Please see our comments below on the 2 documents you have on the forms page that we are supposed to be using until the forms are added to VBMS-FID. Please let us know how we should adjust the letters to meet the manual requirements or if the manual will be adjusted to the letters we were provided.

BF 16 - Court Accounting Approval Letter from FIDUCIARY LETTER REPOSITORY
https://vbaw.vba.va.gov/pensionandfiduciary/pension/BFFS_PCGL.asp

Possible correction: This letter doesn't have a spot for "the starting balance of the next accounting for the fiduciary" which is required by I.3.D.1.c. Accounting Approval Notification Letter Language.

Also, BF 27 - Disapproved Letter states you MUST provide a VA Form 21P-4781a if not using FAST. I don't believe this is true.

Utilizing FAST is the most efficient way to submit your accounting and supports faster review of your accounting submission by the fiduciary hub. If you are unable to submit your accounting electronically through FAST, you must complete and mail VA the enclosed forms:

- VA Form 21P-4706b, VA Fiduciary's Account, and
- VA Form 21P-4718a, Certificate of Balance on Deposit and Authorization to Disclose Financial Records.

P&F Service Response: P&F Service is sending the suggested letter updates through the C&P Language Control Boards for review and concurrence. The recommendation to BF 16 – Court Accounting Approval Letter, located in the Fiduciary Letter Repository, will include the starting balance of the next accounting for the fiduciary. In the interim, fiduciary hubs may manually edit the Court Accounting Approval Letter to include the starting balance of the next accounting until the Fiduciary Letter Repository is updated.

The BF 27- Disapproved Letter, located in the Fiduciary Letter Repository, lists VA Form 21P-4718a, Certificate of Balance on Deposit and Authorization to Disclose Financial Records, as a form that must be mailed to VA if the fiduciary is unable to submit the accounting via the Fiduciary Accountings Submission Tool (FAST). VA fiduciaries are encouraged to submit accounting documents via FAST; however, fiduciaries who are

unable to submit documents utilizing FAST must mail all accounting documents to the VA Fiduciary Intake Center. Per FPM, Part I, 3.C.2.e and FPM, Part I, 3.C.5.b, VA Form 21P-4718a is required when inconsistencies in financial statements are identified or if financial transactions or statements require further explanation.

Result: Clarification provided.

QUESTION REGARDING QUESTIONS REGARDING FIDUCIARY NOTIFICATION FOLLOWING ACCOUNTINGS

Target Audience: Fiduciary Hub personnel

Background: The Lincoln Fiduciary Hub submitted a question regarding Fiduciary notification following accountings.

Question 1: To be in compliance with FPM I.3.C.3.c. and I.3.C.3.e., should the LIE include in the Accounting Approval Letter the information regarding resolved discrepancies?

P&F Service Response 1: Yes, the accounting approval letter is the means by which the VA is to convey resolved discrepancies.

Question 2: Or, should the LIE notify the fiduciary via telephone and document the notification on VA Form 27-0820?

P&F Service Response 2: No, the telephone call as noted in FPM, Part I, 3.C.3.c & e are to obtain corrected information in order to resolve an accounting with noted discrepancies.

Question 3: Or, should the LIE notify the fiduciary both verbally (and documenting the notification on a VA Form 27-0820) and in writing (via Accounting Approval Letter)?

P&F Service Response 3: It is not necessary to notify the fiduciary both verbally and in writing. To notify the fiduciary via accounting approval letter is sufficient and official VA notification.

Result: Clarification provided.

QUESTIONS REGARDING CBI AND CREDIT REPORTS DURING ACCOUNTINGS

Target Audience: Fiduciary Hub personnel

Background: The Lincoln Fiduciary Hub submitted a question regarding CBI and credit reports during accountings.

Question 1: Is the LIE required to obtain and review a Credit Report for each accounting audit, unless fiduciary is exempt per I.3.A.3.d.?

P&F Service Response 1: Yes. The fiduciary authorizes the VA to obtain credit history by initialing the BACKGROUND INFORMATION block of [VA Form 21P-4706b](#), VA Fiduciary's Account. If the fiduciary did not initial the BACKGROUND INFORMATION block, follow the steps outlined in [FPM I.3.A.3.d](#) to gain authorization to obtain and review the fiduciary's credit history.

Question 2: If the LIE is NOT required to obtain and review a Credit Report for each accounting audit, when would the LIE be required to obtain and review a Credit Report during the accounting audit?

P&F Service Response 2: See answer to #1 above.

Question 3: Is the LIE required to obtain and review a CBI for each accounting audit, unless fiduciary is exempt per I.3.A.3.d.?

P&F Service Response 3: No. [FPM I.3.A.3.o](#) provides that a CBI will be requested when the criminal background information in the BACKGROUND INFORMATION BLOCK on the [VA Form 21P-4706b](#) is negative or not completed. The BACKGROUND INFORMATION BLOCK must be completed unless the fiduciary is except per [FPM I.3.A.3.d](#). If the fiduciary did not initial the BACKGROUND INFORMATION block, follow the steps outlined in [FPM I.3.A.3.d](#) to gain authorization to obtain and review the fiduciary's criminal background history.

Question 4: If the LIE is NOT required to obtain and review a CBI for each accounting audit, when would the LIE be required to obtain and review a CBI during the accounting audit?

P&F Service Response 4: See answer to #3 above.

Result: Clarification provided.

QUESTIONS REGARDING AN FPM ISSUE

Target Audience: Fiduciary Hub personnel

Background: The Indianapolis Fiduciary Hub submitted a question regarding an FPM issue.

Question 1: Is FPM II.3.C.1.f., step 2 going to be revised to reflect the guidance in the VBMS Employee Guide?

P&F Service Response: FPM, Part II, 3.C.1.f, Step 2 states, “Upon notification to finance activity, the LIE creates a debt collection task which prompts automatic closure of the EP 290”. This indicates that the system prompts automatic closure of the EP 290 upon creation of this task. As currently written, Step 3 is unclear as the LIE should not close the EP 290 until after the Hub receives notification from finance activity with the billing document number that the debt has been established. We are planning a change to FPM, Part II, 3.C.f that will clarify the appropriate steps to take which will publish by January 8th, 2020.

Result: Clarification provided.

P&F SERVICE INFORMATION

P&F SERVICE CONTACT INFORMATION

Policy and Procedure questions from the PMCs or Fiduciary Hubs should be submitted to P&F Service at [VAVBAWAS/CO/P&F POL & PROC](#) by the Quality Review coach or PMC/Fiduciary HUB Division Management.

All inquiries sent to the Policy and Procedures Mailbox must include the references previously researched, key words or phrases used to search in CPKM. P&F Service is available to assist when there is confusion about a certain policy or procedure, however, PMCs and Fiduciary Hubs are required to research and attempt to resolve the issue before sending the question to the P&F Service Policy and Procedures Mailbox. Additionally, including all words used to search topics in CPKM will allow P&F Service to add those search words into CPKM if they were not already in the metadata for a certain manual reference.

Training and Quality questions can be directed to: [VAVBAWAS/CO/P&F TNG QUAL OVRST](#).

Systems-related questions can be directed to: [VAVBAWAS/CO/P&F BUS MGMT](#).

DISCLAIMER

Please note that all responses provided are for informational purposes only. If changes to the M21-1 Adjudication Procedures Manual or Fiduciary Program Manual (FPM) are needed, they are made in conjunction with the response. The M21-1 and FPM supersede any inquiry response.