



Pension & Fiduciary Service

Inquiry Response Highlights

January 2021

TABLE OF CONTENTS

Table of Contents.....	1
Pension Management Center Related Inquiries	1
Manual Update Request: Non-Veteran Beneficiary Notice of Death Processing Guidelines	1
Clarification Request (M21-1 IV.iii.3.1.D)	2
Fiduciary HUB Related Inquiries	3
Employee/Relative Same-station Processing	3
Clarification Needed - EP for Corrective Actions	4
Internal Questions and Recommendations	5
Fiduciary Quality Call - Pre-Call Inquiries Referred for Procedural guidance	6
Questions regarding Credit report Review during accountings	8
P&F Service Information	9
P&F Service Contact Information.....	9
Disclaimer.....	9

PENSION MANAGEMENT CENTER RELATED INQUIRIES

MANUAL UPDATE REQUEST: NON-VETERAN BENEFICIARY NOTICE OF DEATH PROCESSING GUIDELINES

Target Audience: PMC Claims Processors

Background: The Milwaukee PMC had provided an MCR concerning Non-Veteran beneficiary notice of death processing guidelines.

Question: The manual reference III.ii.8.E.1.b. tells us to select the claim label titled PMC Report of death of beneficiary when processing an acceptable notice of death for a non-Veteran beneficiary. However, when the PMC uses this claim label, the BEST team receives the work credit and/or NWQ routes the claim to the BEST team to work.

Would it be possible to update this reference to state that the claim label PMC-Dependency should be used when a PMC employee is working a non-Veteran notice of death?

P&F Service Response: P&F Service is collaborating with the Office of Field Operations to update the FY21 targets and methodologies. As part of the update, consideration will be given to crediting. Field stations should continue to comply with the M21-1, including using the prescribed claim labels, as specified within the manual.

Result: Clarification provided.

CLARIFICATION REQUEST (M21-1 IV.III.3.1.D)

Target Audience: PMC Claims Processors

Background: The St. Paul PMC had had questions concerning M21-1 IV.iii.3.1.d

Question 1: What information is needed in the memo to finance in regard to the creation of the offset?

P&F Service Response 1: Per the updated procedures in [M21-1 IV.iii.3.1.1.d](#), published on January 12, 2021 a memo to finance is no longer needed.

Question 2: How will VBMS-A reflect the offset created by Finance? This process seems that it should be more of a TORT withholding rather than an SBP recoupment function.

P&F Service Response 2: Per the updated procedures in [M21-1 IV.iii.3.1.1.d](#), published on January 12, 2021, finance activity is no longer needed. Use a TORT withholding.

Question 3: How should the claim be controlled while waiting for Step 3? Should the claim remain in a Pending Authorization claim state pending Finance response.

P&F Service Response 3: Per the updated procedures in [M21-1 IV.iii.3.1.1.d](#), published on January 12, 2021, finance activity is no longer needed.

Result: Clarification provided.

FIDUCIARY HUB RELATED INQUIRIES

EMPLOYEE/RELATIVE SAME-STATION PROCESSING

Target Audience: Fiduciary Hub personnel

Background: The Salt Lake City Fiduciary Hub submitted a question regarding Employee/Relative Same-station Processing.

Question 1: Not sure if this has been placed on your radar yet; however, SLC is finding that if a case in our juris is employee related or relative related the Hub is unable to process – similar to why these types of claims are processed for VSC at the RAAC. Can P&F put together a sister station policy for which stations should take relative/employee cases in our juris? Should there be some sort of flash identifying these types of cases and should there be guidance for when a face to face exam is required?

P&F Service Response 1: It has come to our attention that fiduciary hubs are restricted from processing certain end products (EPs) under their jurisdiction where the beneficiary is an employee or relative of an employee associated with that hub. P&F Service issues the following guidance as interim procedures for the handling of these cases until the corresponding updates to the Fiduciary Program Manual (FPM) have been published:

Hubs are restricted from completing fiduciary program activities on any Restricted Access Claims Center (RACC) cases where the beneficiary is an employee-Veteran or relative of an employee associated with the hub of jurisdiction. Upon discovery of a case meeting these criteria, ensure that the appropriate corporate flash is applied, and transfer the EP to the appropriate sister hub of jurisdiction, as follows:

If the original hub of jurisdiction is...	Then the sister hub of jurisdiction is...
Columbia Fiduciary Hub	Louisville Fiduciary Hub
Indianapolis Fiduciary Hub	Salt Lake City Fiduciary Hub
Lincoln Fiduciary Hub	Milwaukee Fiduciary Hub
Louisville Fiduciary Hub	Columbia Fiduciary Hub
Milwaukee Fiduciary Hub	Lincoln Fiduciary Hub

Exception: For RACC cases that require a face-to-face field examination, the sister hub must work with the original hub of jurisdiction to ensure completion of the examination by an impartial Field Examiner.

Notes:

- For more information on when to use the *Restricted Access* corporate flash, see [M21-4, Appendix C.2.b](#).
- All hubs are excluded from completing promulgation activities on RACC cases. See [FPM, Part I, 1.A.2.b](#) for more information on cases excluded from fiduciary promulgation team processing.

Result: Clarification provided. Manual updates were published to M21-1, Part III, Subpart v, Chapter 9, Section A and FPM, Part I, Chapter 1, Section A on January 14, 2021.

CLARIFICATION NEEDED - EP FOR CORRECTIVE ACTIONS

Target Audience: Fiduciary Hub personnel

Background: The Louisville Fiduciary Hub submitted a question regarding end products requiring corrective actions.

Question 1: Once a field exam report is completed and locked, and the EP cleared, the exam cannot be edited. The issue is when QRT or STAR identifies an error that requires a correction to the field exam report. The EP 590 was cleared, and exam credit received by the Hub. The establishment of a new EP 590 would provide the Hub credit for work done on an error which is not allowed.

Other business lines use EP 930 to make corrective actions, however EP930 is not available in VBMS Fid. The EP 930 available in VBMS Core does not contain Fiduciary functionality.

P&F Service Response 1: Until a system solution can be completed, please follow the steps detailed in this response. Please note that these instructions are only for field examination corrections which require the use of the field examination report when the field examination report is locked.

If the employee is to correct the error on the locked field examination, the employee should establish a new EP 590 with the appropriate claim label. Select the FE report that requires correction from the drop-down list in the Field Exam Report section of

VBMS-Fiduciary. Once all corrections are made, cancel the EP 590 with the cancellation reason “Closed-Other” and an explanation of FID-Correction of Local Quality Error including a permanent VBMS note on corrective action. No further action is necessary.

Please refer to P&F Service’s email dated January 4, 2021 sent to all hubs for further information as this includes information on how to re-open the field exam report once closed, as well as how to correct an error on a report drafted by another field examiner.

Result: Clarification provided.

INTERNAL QUESTIONS AND RECOMMENDATIONS

Target Audience: Fiduciary Hub personnel

Background: P&F Service staff prepared the following questions and internal recommendations.

Question 1: Should the FPM be changed to include the requirement to document all liquid and non-liquid assets of the beneficiary during the routine scheduled follow-up field examinations? Currently, the assets only have to be documented during IA/SIA field examinations and not during a follow-up field examination. A lot can change between the time of the IA and follow-up field examination, specifically the fiduciary account. It would also make it easier to verify and confirm assets during a misuse investigation if the assets have been kept current during the entire appointment of the fiduciary.

P&F Service Response 1: No, the FPM should not be changed to include documenting liquid and non-liquid assets during a scheduled follow-up field examination. Per [FPM I.2.D.2.a](#), the purpose of the follow-up field examination is to monitor the beneficiaries well-being and to assess the beneficiary/fiduciary relationship. Fiduciary oversight is accomplished through annual accounting audits or bi-annual fund usage reviews as prescribed in [FPM I.2.D.1.h](#). In both the accounting and fund usage review oversight activities, the hubs must closely review for any red flags ([FPM I.3.C.6.a](#)) to include if the fiduciary is unable to provide documentation supporting assets previously documented in a field examination or accounting. This essentially means that the assets as documented originally from the IA or SIA are being reviewed at the time of the fund usage review or accounting audit; and, any changes are documented at that time (and continually at each audit/review).

Question 2: In FPM I.2.C.1.e, it states that if the fiduciary is serving satisfactorily for at least one other VA beneficiary, the face-to-face interview will not be conducted. Does this mean that if the fiduciary serves more than one beneficiary but is satisfactory in serving at least one, the requirement is met? What if the fiduciary currently serves six beneficiaries and is delinquent on five of the six annual accountings for the beneficiaries?

P&F Service Response 2: No, the requirement is not met. As outlined in [FPM 1.2.C.1.e](#), in order to forego a face-to-face examination, the proposed fiduciary must already be of record showing satisfactory performance with at least one other VA beneficiary AND meeting all requirements for a VA fiduciary in that appointment. If the proposed fiduciary has more than one beneficiary already of record, he/she must be performing satisfactorily and meeting performance requirements for all of them.

Result: Clarification provided.

FIDUCIARY QUALITY CALL - PRE-CALL INQUIRIES REFERRED FOR PROCEDURAL GUIDANCE

Target Audience: Fiduciary Hub personnel

Background: P&F Service staff prepared the following responses to questions in advance of the January P&F Service Fiduciary Quality Call.

Question 1: Because the FPM does not now require the FE to determine the fiduciary's plan for use of the retroactive payment and only indicating whether there is an amount received/pending, what specific information is required to be included in the Fiduciary Notification letter in reference to the retroactive funds usage (if it is applicable in the case)?

P&F Service Response 1: The guidance under [FPM, Part I, 2.E.2.f](#) will be amended to remove the requirement for retroactive fund usage. This will make the notification letter consistent with current field examination requirements.

Question 2: The below highlighted area is incomplete and requires further review ([FPM, Part III, 1.C.2.h](#)): Did the proposed fiduciary agree to the responsibilities of a fiduciary as listed in?

P&F Service Response 2: An update to [FPM, Part III, 1.C.2.h](#) will be considered to highlight that the fiduciary responsibilities under consideration relate to [VA form 21P-4703](#).

Question 3: The clarification request is to ensure that telephone contact, non-program, unscheduled, and fund usage field examinations once completed by the field examiner now will require an actual field examination report to be completed within VBMS-Fiduciary and must be uploaded into the eFolder. If this is true, can you all please provide the specific fields within the field examination report which will now be required for these specific reports? This way guidance can be disseminated to Hub employees who complete and review these reports.

P&F Service Response 3: The guidance in [FPM, Part I, 2.E.1.d](#) outlines the documentation types required for the completion of varying types of field examinations.

The specific question of a Telephone follow-up field examination would only require the completion of a [VA Form 27-0820, Report of General Information](#) and any other necessary actions, such as scheduling the future exam, to be completed prior to the EP being closed.

An update will be made on [FPM, Part I, 2.E.1.I](#) in order to have language which conforms to other FPM entries. The update makes it clear that a field examination report is not required for completion of all types of field examinations in order to close an EP.

Question 4: Per FPM I.2.D.5.h, is the Field Examiner required to document all of the evaluation of well-being evaluation information included in FPM Part I, 2.C.2 within the 27-0820?

P&F Service Response 4: The beneficiary telephonic oversight should include all information required to monitor the beneficiary's well-being and assess the beneficiary-fiduciary relationship on a [VA Form 27-0820, Report of General Information](#). The hub should include any pertinent information which would be required for a complete and thorough investigation into the well-being of the beneficiary under [FPM, Part I, 2.C.2.c](#). The hub would also include any pertinent information which results from the beneficiary interview in accordance with [FPM, Part I, 2.D.2.c](#) to evaluate the beneficiary-fiduciary relationship.

Question 5: Please clarify if an EP290 ND that is not able to be established due to the Veteran being deceased will be counted as an error while the EP290 Misuse remains open for tracking purposes. The issue is being tracked as a defect; however, we would like to ensure that local and national policy align as the ND action is currently not able to be completed on deceased Veterans.

P&F Service Response 5: The non-establishment of an EP290 ND for a deceased Veteran will not be cited as an error, however, the EP290 Misuse EP should be closed in accordance with FPM II.3.A. Hubs should send an email with the specific case information to the [P&F Service Training, Quality, and Oversight mailbox](#) to ensure manual control of these NDs.

Question 6: Please provide guidance relating to quality while working accountings for records that have yet to be migrated to VBMS. Currently, we are documenting actions and discrepancies in the accounting audit tools to complete cases. Is there a specific requirement or guidance on the proper way to document FUM & VA FUM in non-migrated cases?

P&F Service Response 6: Under the grace period in effect from November 9, 2020 - January 8, 2021, errors will not be cited for documentation discrepancies within VBMS-Fiduciary. Comments will be cited to ensure corrective action is taken. Following the end of the grace period, errors would only be cited if the evidence of record demonstrated that the FUM and VAFUM were incorrect. In this instance, the end user would have had access to the same information and would have been able to

appropriately update the system. Additionally, the hub should be able to identify the previous FUM from the most recent accounting approval letter. As per [FPM, Part I, 3.D.1.c](#), Accounting Approval Notification Letter, the prior accounting approval notification letter should have contained the next accounting period starting balance. Also, the accounting forms should contain the accounting period ending balance.

Result: Clarification provided.

QUESTIONS REGARDING CREDIT REPORT REVIEW DURING ACCOUNTINGS

Target Audience: Fiduciary Hub personnel

Background: The Lincoln Fiduciary Hub submitted questions regarding credit report review during accountings

Question 1: When reviewing the credit report during an accounting AND there is *any* negative information, even negative information previously known and reviewed by VA, must the hub issue an unscheduled field exam?

P&F Service Response 1: If evidence is available within the electronic claims folder (eFolder) showing that all negative entries on the credit report have been previously reviewed and justified, an unscheduled field examination is not required. However, if the new credit report contains even a single negative entry which is not listed on existing evidence within the eFolder, an unscheduled field examination is required. P&F Service is researching potentially updating FPM, Part I, 3.A.3.n to clarify this.

Question 2: When reviewing the credit report during an accounting AND there is only new negative information, not previously known and reviewed by VA, must the hub issue an unscheduled field exam?

P&F Service Response 2: Yes. In this situation, the hub must ensure the new negative entries on the credit report are investigated to determine whether the continued appointment as fiduciary is justifiable.

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.