

Procedural Advisory: Public Law (PL) 116-315, Section 1019, Conversion Procedures for Existing 74B Debts to 75B Debts. (Retroactive)

April 28, 2021

What Changed: Effective March 6, 2021, Education Service, in coordination with the Office of Financial Management (OFM), developed system functionality to convert student tuition, fee and, Yellow Ribbon overpayments (74B debts) generated in the Long Term Solution (LTS), into school overpayments (75B debts) when established in the Benefits Delivery Network (BDN).

On April 28, 2021, a BDN batch update was completed, converting 74B debts established between January 5, 2021, and March 5, 2021. A large majority of existing debts were successfully converted to 75B debts. Students and schools must now be notified of these debt conversions. These are the “converted” lists. There will be two converted lists, a “priority” list involving 1,501 individual 74B debts converted to 75B debts and the “remaining converted” list from 14,713 total debts converted nationally.

In addition, a list will be created to reflect the debts which could not be converted through this process. This “non-converted” list, with 5,627 individual 74B debts nationally will require a review and manual updates.

It is important to note, 74B debts established prior to January 5, 2021, remain valid student debts to be repaid and should not be converted to 75B debts.

NOTE: There is not an automated system update available for debts created in the Financial Accounting System (FAS). A separate list was provided to the Buffalo STEM team containing participant transactions which needed conversion to vendor transactions (debts) manually. STEM Scholarship claims will continue to be paid in FAS according to the [STEM FAS Processing Guide](#).

RPO Impact: Regional Processing Office (RPO) staff is responsible for preparing and releasing school debt letters for all claimants on the “converted” list.

RPO staff is also responsible for manually reviewing, correcting, and releasing letters for the claims on the “non-converted” list.

The “non-converted” claims will require Veterans Claims Examiners (VCEs) to perform manual fiscal activities generally only associated with transactions allowed within Support Services Division. Education Service (EDU) received a waiver from the Office of Business Integration (OBI) to allow the VCEs to perform these tasks for this project only.

The RPOs have the discretion to assign the appropriate personnel to ensure these fiscal actions are performed within a timely manner and with appropriate checks and balances in place.

For this project, specific personnel are authorized to initiate the fiscal action (FIST) and another set of personnel may authorize this fiscal action (FAUT). After the

project is completed a national and local quality review will confirm compliance. More information regarding the quality review will be forthcoming.

What Should the RPO Do:

EDU will provide lists to each RPO: a priority list of “converted” claims, a non-priority “converted” claims list, and a list of “non-converted” claims. RPOs will convert each of the lists into individual PDF memorandums using a “SPROJ” document type in The Image Management System (TIMS) and assign these claims for processing. By using the TIMS “SPROJ” document type, RPOs can manage this workload. The decision to specialize this workload is at the RPO’s discretion. The “SPROJ” document is the source document for claims processing.

1) “Converted Claims”. VCEs will prepare and release the School Debt (75B) letter for those claims on the “converted” list. It is essential this letter is captured within TIMS. While most information needed is available on the list, VCEs will need to review TIMS, the Long Term Solution (LTS), and the Benefit Delivery Network (BDN) to complete these letters. The list contains a “maturity date” column associated with each 74B debt. This column should be used by the VCE to locate the original “amount paid” on the letter.

2) “Non-Converted Claims”. VCEs will be assigned claims from the Non-Converted list in TIMS.

a. **REVIEW ADDRESS** VCEs must review TIMS to determine the most recent address. The VCE must ensure the address in BDN and the LTS are updated appropriately

b. **DEBT COMPARISON**

1. Compare the debt amount on the TIMS document to the amount on the BDN M01 screen.

NOTE: Disregard the collection status of the 74B debt: all debts will be converted.

2. When fiscal processing is required for scenarios B, C, and D below, the BDN M01 screen must be captured before and after all fiscal processing actions.

A. If there is not a 74B debt associated with the facility code in BDN, no further action is required. The VCE can close the TIMS folder.

B. If the amount and facility code of the 74B debt in BDN **match**, then fiscal processing is required.

1. Eliminate the 74B in BDN using a 08e transaction.

2. Then establish a 75B for the same amount using a 04e transaction.

C. If the facility code matches and the amount of the 74B debt in BDN is **less** than the amount on the memo, then fiscal processing is required.

1. Eliminate the 74B in BDN using a 08e transaction.
2. Then establish a 75B for the amount that was remaining in BDN as a 74B using a 04e transaction.

D. If the facility code matches and the amount of the 74B debt in BDN is **more** than the amount on the memo, then fiscal processing is required.

1. Reduce the 74B debt by the amount on the memo using a 08e transaction.
2. Then establish this amount from the memo as a 75B debt using a 04e transaction.

c. **FISCAL PROCESSING** **Only those VCEs who have authority to process these fiscal transactions should proceed. Follow RPO leadership guidance on this section. ([See M22-4 Part 12, Chapter 9](#), Subchapter 2)

1. The processing VCE will FIST a 08e transaction for the amount of the 74B debt to eliminate or reduce the debt in BDN appropriately and route for authorization.
2. The authorizing VCE will FAUT the 08e (74B) and capture the approved F95 (FAUT screen) into TIMS.
3. Route the TIMS claim token to the FIST assigned queue for next action.
4. The processing VCE must establish the overpayment amount using the FIST command as a 75B debt (04e) transaction under the appropriate facility code and route for authorization.
5. The authorizing VCE will FAUT the 75B (04e) and capture the F95 (FAUT screen) into TIMS.

NOTE 1: A FAUT must follow a FIST before another FIST can be processed. If processed out of order, a disapproval and reprocessing will be required.

NOTE 2: Capture into TIMS the M01 screen prior to processing and after all fiscal processing is completed.

d. **CREATE AND SEND SCHOOL DEBT LETTER**

1. The initiating VCE for the fiscal transaction should prepare the school debt letter (75B) for review. **NOTE:** The amount originally paid for each term should be verified in the LTS and BDN.
2. The authorizing VCE of the 04e (step 5 above) will review, capture in TIMS, and release this letter as local RPO guidance dictates.

3. The authorizing VCE should finish the claim token.

3) End Product (EP) credit. There is NO end product credit authorized for this project. Claims processors assigned to this project should be granted appropriate excluded time. Refer to your RPO leadership for details.

Questions: If you have any additional questions, please direct them to the [Procedures Team](#).

V/R

Procedures Team