



U.S. Department
of Veterans Affairs

Pension and Fiduciary (P&F) Service

Fiduciary Quality Call

Date: May 19, 2022

TMS: # VA 4626271

AGENDA TOPICS

[ITEM 1: STAR FIDUCIARY QUALITY SFR ANALYSIS](#)

[ITEM 2: INCORRECT EPs ON NEGLIGENCE DETERMINATIONS](#)

[ITEM 3: BOND AND FUM CALCULATIONS – ACCOUNTING AUDIT TOOL](#)

[ITEM 4: QUALITY ACTION PLAN](#)

[CLOSING, QUESTIONS, NEXT QUALITY CALL](#)

AGENDA ITEMS

Agenda item: STAR Fiduciary Quality SFR Analysis

Presenter: Alvin Hill, Analyst

Target Audience:

Quality Review Team (QRT) Program Specialists and Coaches/Assistant Coaches

Discussion:

A trend analysis was performed on errors cited during the national fiduciary systematic technical accuracy reviews (STAR) completed during October 2021 through March 2022. The analysis was conducted to identify opportunities for Pension and Fiduciary (P&F) Service to help improve national quality. The analysis consisted of reviewing cases with a critical error and the reasons for the error. Thirty-nine (39) cases with critical errors were cited during the review period of October 2021 to March 2022; 33 were accounting reviews, while the remaining six were from field examination reviews. Of the 33 accounting cases, a combined total of 43 individual critical errors were cited as a result of multiple critical errors on some cases.

The most common accounting errors cited were A2, C3, C15 and D1 errors. A2 errors are a result of missing required elements of a complete accounting and were primarily cited due to incomplete or missing bank statements. C3 errors are the result of a failure to obtain a credit report during the accounting audit. C15 errors occur when the bond is not verified or a request to adjust is completed during the accounting audit. D1 errors are the result of all accounting requirements not being met before approval. Overall, 37 percent of the accounting critical errors cited were from Indianapolis, 24 percent from Salt Lake City and 15 percent from Louisville.

Three hubs committed the six critical errors found during field examination reviews. Although six critical errors were found, only one critical error, E8, was cited more than once. E8 errors are a result of incorrectly scheduling follow-up field exams too far out.

References/Contacts

- ✓ STAR Error Memos
- ✓ QMS Reports
- ✓ STAR Checklists

Agenda item: Incorrect EPs on Negligence Determinations (NDs) **Presenter:** Tom Visser, Analyst

Target Audience:

Quality Review Team (QRT) Program Specialists and Coaches/Assistant Coaches

Discussion:

P&F Service has seen quite a few incorrect end products (EPs) being established by the hubs when referring a case to P&F Service for ND completion. Specifically, EP 930s were erroneously established rather than the EP 290. The hubs are creating the claim in the wrong area of the misuse record. P&F Service is also seeing EP 290s, established outside the misuse record, which prevents the EP from linking with the misuse record (visible from the EP Overview Page).

References/Contacts

- ✓ [VBMS User Guide, pages 120-121, 125, and 164](#)

Agenda item: Bond and FUM Calculations

Presenter: David Gunnell,
Analyst

Target Audience:

Quality Review Team (QRT) Program Specialists and Coaches/Assistant Coaches

Discussion:

P&F Service completed testing the Accounting Audit Tool (AAT) updates that correct the recommended bond amount and calculation of funds under management to include other income (SSA). The updated AAT was released to the field on May 15, 2022.

References/Contacts

- ✓ [FPM I.3.C.5.c-f, Review of Investments, Surety Bonds, and Administration of VA and Other FUM](#)
- ✓ [FPM II.2.B.1. and 2., Corporate Surety Bonds](#)

Target Audience:

Quality Review Team (QRT) Program Specialists and Coaches/Assistant Coaches

Discussion:

The Fiduciary Advisory Committee (FAC) requested changes to the individual quality reviews (IQRs) claim transactions that went into effect on October 1, 2021, for FE, LIE, and FSR reviews. A workgroup was established to review the requested changes and create a Review Guide similar to those found in M21-4, Chapter 8, Appendix A.b. and B.b. The workgroup also created a step-by-step guide that QRT can use when completing IQR reviews. A recorded training session to go over the new guides is scheduled for a June 8th release. Both guides will be published in the updated M21-4, Chapter 8 on or about June 15, 2022.

References/Contacts

✓ [M21-4, Chapter 8, Appendix A and B](#)

Closing Comments

P&F Service Quality Mailbox:

We will solicit for agenda topic(s) for each future Quality Call. If you have a specific topic suggestion, please feel free to email it to the P&F Service Training, Quality, and Oversight mailbox at PFTNGQUALOVRST.VBACO@va.gov. For specific policy and procedures related topics, please email to the Policy and Procedures mailbox at PFPOLPROC.VBACO@va.gov.

Quality Call Bulletins

Quality Call Bulletins can be found in the following location: https://vbaw.vba.va.gov/PENSIONANDFIDUCIARY/Quality_Call_Bulletins.asp. The next Quality Call is tentatively scheduled for June 2022.

TMS Courses

All P&F Service Quality Calls and bulletins will be available in TMS. Once the monthly bulletin is finalized, information will be sent to the PMCs and Fiduciary Hubs, which will include the TMS #.

Post-Call Follow Up

Quality Call Recording:

A recording of the May 2022 Fiduciary Quality Call can be found here (open in Chrome): [Watch 'P&F Service Fiduciary Quality Call - May 2022' | Microsoft Stream](#)

TMS Course:

Available content from the Quality Call (bulletin, recording, etc.) will be available in TMS. The TMS # for the May 2022 Pension and Fiduciary Quality Call is VA 4626271 (Pension and Fiduciary Service Quality Call – Fiduciary May 2022)

The link to TMS is [HERE](#). It is recommended to use Google Chrome when viewing the TMS information.



The screenshot shows the TMS Learning System interface. At the top, there is a navigation bar with a home icon, 'Learning' with a dropdown arrow, and the TMS logo (Talent Management System). Below this, there are tabs for 'My Learning' and 'Spotlight'. A breadcrumb trail shows '← Back' followed by 'Pension & Fiduciary Service Quality Call - Fiduciary May 2022'. The main content area is split into two columns. The left column features a video player with a thumbnail image of hands typing on a keyboard in front of a computer monitor. Below the thumbnail is the identifier 'VA 4626271'. The right column contains text: 'This is the video recording to the Fiduciary May 2022 quality call.' followed by instructions: 'To begin the training, select 'Start Course'. Within the Online Content Structure screen: Launch and watch the video. Must be opened behind the firewall on the VA network. Open and review the Bulletin. Launch and complete the self certification for course credit.' Below the text, it indicates a duration of '0.25 HOUR(S)' and a 'CONTACT' link.

Q&A:

Question 1: Columbia Fiduciary Hub

Because the FPM is not clear on if expenses should be included on a SIA for an EIA, the recommendation is to include EIA in the FPM I.2.C.4 and to provide clarity to the I.2.C.7.a. for more succinct guidance for field examiners to follow when conducting an EIA. Should hubs include expenses for all EIAs routinely?

P&F Service Response:

Yes, fiduciary hubs (hubs) must review and document the beneficiary's expenses when completing an expedited initial appointment (EIA). The hub must review and document all financial information during an EIA, with the exception of non-VA assets, as clarified within [FPM, Part I, 2.C.4.e](#).

P&F Service is actively researching [FPM, Part I, 2.C](#) to determine how EIA documentation requirements may be clarified. Please note, if the manual is changed, you will be notified via the Compensation Service Calendar email blast. To subscribe to this email blast, please visit the [Calendar Subscriptions](#) website.

Question 2: Columbia Fiduciary Hub

The FPM II.1.C.4.p. needs to clarify the intention of the reference in regard to the following section: receipts, invoices, or copies for any check transaction that cannot be associated with a known expense of record, exceed \$900.00 or is part of a financial statement in which three or more checks were cleared in any single month.

Recommended Solution

Update the reference to clarify whether "and/or" is appropriate after the statement "cannot be associated with a known expense of record."

P&F Service Response:

The intent of the referenced guidance in [FPM, Part II, 1.C.4.p](#) is to require the fiduciary to submit receipts, invoices, or copies of checks for any check transaction that cannot be associated with a known expense of record, exceeds \$900.00, or is a part of a financial statement in which three or more checks were cleared in any single month. It is not necessary for all three of these listed conditions to apply to the check transaction. The fiduciary hub (hub) must request receipts, invoices, or copies of checks any time one or more of these conditions apply. As such, the FPM guidance is correct as written.

Question 3: Columbia Fiduciary Hub

In FPM II.1.C.4.p., it indicates that receipts are needed for any check transaction that exceeds \$900. The fund usage letter from the repository that is automatically sent out indicates you must submit copies of receipts or invoices for large purchases that do not occur on a regular basis. FPM II.1.C.4.p also indicates that we do not have to request receipts or invoices for home repairs or other large purchases if the most recent field examination projected the purchase.

P&F Service Response:

On May 6, 2022, hubs were notified that the *Fund Usage Due Letter* and *Fund Usage Past Due Letter* were updated in the Fiduciary Letter Repository to match the FPM requirements for submitting verification of check transactions. A request was also made to update this letter in VBMS. As the *Fund Usage Due Letter* is automatically sent from VBMS, it is not necessary for the hub to manually send the *Fund Usage Due Letter* in addition to the automatically generated letter. Until the VBMS letter is updated, the hub may, on a case-by-case basis, need to request additional information if the fiduciary does not submit the supporting documentation regarding check transactions as required per [FPM, Part II, 1.C.4.p](#).

The fund usage letters also correctly request that the fiduciary submit receipts or invoices for larger than normal purchases that do not occur on a regular bases, as required per [FPM, Part II, 1.C.4.g](#). The Policy & Procedures Team is unable to locate the referenced manual guidance stating that the hub is not required to request receipts or invoices for home repairs or other large purchases if the most recent field examination projected the purchase. As stated in [FPM, Part II, 1.C.4.p](#), the fiduciary must submit receipts or invoices for irregular purchases, when needed to verify fund usage. If the hub cannot verify fund usage for irregular purchases, further documentation must be requested.

Question 4: Columbia Fiduciary Hub

Additionally, does FPM I.3.C.3.c.(k)(l) apply to this rationale for reviewing FURs?

P&F Service Response:

No, [FPM, Part I, 3.C.3.c, k](#), and [l](#) do not apply to fund usage reviews. These blocks specifically discuss reconciling accountings when the accounting form does not match financial statements.

There is no reporting form submitted by the fiduciary for fund usage reviews. As such, the referenced blocks apply to accountings only.

Question 5: Columbia Fiduciary Hub

Will further analysis of information such as addition of telephone calls, additional documentation requests, etc...be required by fiduciaries for auditing/review purposes to ensure a full overview for fiduciary oversight despite the shorter FUR review period?

P&F Service Response:

Telephone development is already required as part of fund usage review development, per [FPM, Part II, 1.C.4.g](#). P&F Service has no plans to require any additional documentation from the fiduciary than what is currently required under [FPM, Part II, 1.C.4.p](#).

Question 6: Columbia Fiduciary Hub

We have reviewed the FPM for a definition related to “non-VA assets” and it does not provide detailed information on what the hub personnel should consider. Also, the FPM refers to liquid assets and we are not certain if these words are to be used interchangeably or if an upcoming FPM update will provide more clarity.

P&F Service Response:

Yes, fiduciary hubs (hubs) must review and document the beneficiary’s expenses when completing an expedited initial appointment (EIA). The hub must review and document all financial information during an EIA, with the exception of non-VA assets, as clarified within [FPM, Part I, 2.C.4.e](#).

Question 7: Columbia Fiduciary Hub

What constitutes the hub’s requirement to make “reasonable attempts to identify the individual or entity entitled to or administering the affairs of the beneficiary’s estate if there is no fiduciary in place managing VA FUM in trust at the time of the beneficiary’s death,” as provided in the Notes section of FPM II.3.D.3.i, Step 5?

P&F Service Response:

As outlined in [FPM, Part II, 3.D.3.i](#), fiduciary hubs do not need to take further action to locate a possible heir if research into VA records has been exhausted and the *Death - NOK No Fiduciary* letter has been sent.

“Reasonable effort” means to review available VBA systems (i.e., VBMS, Share) and extend to other VA systems, such as VHA records through CAPRI, if VBA systems do not contain any next of kin information.

Question 8: Columbia Fiduciary Hub

Does this include utilizing internet, CLEAR, and other resources to identify the individual or entity?

P&F Service Response:

No. See response to Question 7. Any additional efforts concerning the estate would be the jurisdiction of a probate court.

