



# Pension and Fiduciary Service (P&F)

## Fiduciary Quality Call

Date: October 31, 2023

TMS: # VA 4650879

### AGENDA TOPICS

- [ITEM 1: FIDUCIARY QUALITY ERROR TRENDS ANALYSIS](#)
- [ITEM 2: STAR - FIELD INQUIRY QUESTIONS](#)
- [ITEM 3: FDIC LIMITS ON INVESTMENTS](#)
- [ITEM 4: POLICY & PROCEDURE REMINDER](#)
- [ITEM 5: INTERACTIVE DISCUSSION ON ACTION MAIL](#)
- [CLOSING, QUESTIONS, NEXT QUALITY CALL](#)

### AGENDA ITEMS

**Agenda item:** Fiduciary Quality Error Trend Analysis      **Presenter:** Travis Jones, Analyst

**Target Audience:**

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

**Discussion:**

### **BI-MONTHLY QUALITY ANALYSIS**

National fiduciary accuracy remained at the Outstanding level at 95.43 percent and 95.65 percent in August and September 2023 respectively.

	August 2023 Rolling Accuracy	September 2023 Rolling Accuracy
National Fiduciary Accuracy	95.43%	95.65%

## **FIELD EXAMINATION**

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A total of eight field examination errors were cited on seven unique cases with no critical errors found. NFFEQR17a was the most cited error and was the result of not updating the beneficiary or fiduciary profile. Field examination accuracy continued to demonstrate proficiency with completing field examinations.

## **ACCOUNTING and FUND USAGE REVIEWS**

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There were a combined 64 non-critical and critical Accounting/Fund Usage Review (FUR) errors found during the review period.

Non-critical Accounting and FUR errors were cited because of not uploading documentation to the eFolder and failure to update the beneficiary and/or fiduciary profile.

Most cited non-critical error types:

- NFAQR22b
- NFAQR22c

Critical Accounting and FUR errors were cited because of missing accounting forms, financial statements, credit reports, failure to complete required follow-up actions and failure to request required additional or corrected information.

Most cited critical error types:

- NFAQR13a
- NFAQR13b
- NFAQR20c
- NFAQR21c

### **References/Contacts**

- ✓ [M21-4 Chapter 8. Fiduciary Hub \(Hub\) National Quality Reviews](#)
  - ✓ [FPM I.2. Field Examinations](#)
  - ✓ [FPM I.3. Accounting](#)
  - ✓ [FPM I.6. Fund Usage Oversight](#)
  - ✓ [Quality Management System](#)
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**Agenda item:** STAR - Field Inquiry Questions

**Presenter:** Stephanie Means,  
Analyst

**Target Audience:**

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

**Discussion:**

**STAR Question 1:** Clarification on the STAR Accounting Checklist questions 20a and 20c errors: Clarification of how STAR interpreted “immediate action” of the past due steps outlined in FPM I.6.B.1.b. are considered administrative or substantive:

**Potential Interpretation 1:** If a fiduciary hub took the actions in FPM I.6.A.2.b-c. “when completion of a FUR is not possible” without meeting the past due requirements of FPM I.6.B.1.b. then a substantive error is appropriate.

**P&F Response:** Yes, it is a substantive error. The hub must exhaust all procedures for requesting a fund usage report prior to following the procedures of FPM I.6.A.2.b.-c.

**Potential Interpretation 2:** If a fiduciary hub received a past due FUR prior to taking the past due steps outlined in FPM I.6.B.1.b. then an administrative (internal control) comment is appropriate.

**P&F Response:** FPM I.6.B.1.b. required immediate action when VA is not in receipt of a fund usage report that is past due. In this interpretation, the requirement of FPM I.6.B.1.b. did not apply because the past due FUR has been received by VA.

**Potential Interpretation 3:** If a fiduciary hub did not take the steps outlined in FPM I.6.B.1.b. in      business days, then the hub failed to meet the requirement in STAR Accounting Checklist questions 20a and 20c.

**P&F Response:** Per FPM I.6.B.1.b., the fund usage report became past due on the first day following the due date for the period under review, which was 1 business day. The example in the manual reference illustrated that the fund usage report became past due the day following the due date. Therefore, immediate action was the day the fund usage report became past due.

**STAR Question 2:** Clarification on the STAR Accounting Checklist question 21c. Specifically, how specifically should an employee document when an irregular expense is noted in FPM I.6.B.2.b. has sufficient evidence within the eFolder to “verify fund usage”. A lack of specific guidance to validate analysis concerning an irregular expense currently requires a STAR reviewer to guess if the hub was able to appropriately “verify fund usage”.

**P&F Response:** Specific guidance cannot be documented for every scenario; the STAR reviewer wanted to see the action taken and whether receipt of the additional evidence may support the expense. FPM I.6.B.1.g. requires that additional and/or corrected information relating to fund usage expenses must be requested when not of record and fiduciaries must receive a written notification letter of the request. The fiduciary must provide the additional and/or corrected information within 14 days of VA’s request. Establish a development

## References/Contacts

activity for the request of the corrected information and send the Fund Usage Additional Evidence Required Letter.

- ✓ [FPM I.6.A.2.b.-c](#)
- ✓ [FPM I.6.B.1.b](#)
- ✓ [FPM I.6.B.1.g.](#)

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**Agenda item:** FDIC Limits on Investments

**Presenter:** David Gunnell,  
Analyst

### Target Audience:

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

### Discussion:

**Question:** The fiduciary had \$100,000.00 of fully derived VA FUM in the deposit checking account at Bank A. The fiduciary also had \$200,000.00 of non-VA FUM in a money market account at Bank A. Since the total FUM is \$300,000.00 and VA FUM is \$100,000.00, would we enforce the FDIC limit (\$250,000.00) based on VA FUM or total FUM?

**P&F Response:** Yes, VA would enforce. The standard insurance amount is \$250,000 per depositor, per insured bank, for each account ownership category. The account ownership category is the key.

### [Deposit Insurance At A Glance](#)

#### Single Accounts (Owned by One Person) \$250,000 per owner.

Bank	Depositor	Amount	Category	Insurance Coverage	Remaining Coverage: Standard Coverage per person \$250,000 less \$100,000
A	Veteran	\$100,000	Single Ownership	\$100,000	\$150,000
A	Veteran	\$200,000	Single Ownership	\$150,000	\$50,000 Not covered

**Question:** Additionally, in the above example, if the money market account contained other FUM, is a joint account (not technically FUM for the fiduciary), did this have an effect on whether we asked them to move funds to another institution to get under the FDIC insurance limit?

**P&F Response:** Yes, VA would not enforce.

#### Joint Accounts (Owned by Two or More Persons) \$250,000 per co-owner.

Bank	Depositor	Amount	Category	Insurance Coverage	Remaining Coverage: Standard Coverage per person \$250,000 less \$100,000
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A	Veteran	\$100,000	Single	\$100,000	\$150,000
A	Veteran/Other	\$200,000	Joint Co-Owner	\$100,000	\$50,000
	Other		Joint Co-Owner	\$100,000	\$150,000

**Calculate Coverage:** [FDIC: Electronic Deposit Insurance Estimator \(EDIE\)](#)

**Note:** For FDIC Calculation purposes, Custodial Accounts are not government accounts unless the fiduciary is a state agency and exempt per by [38 CFR 13.200\(b\)\(1\)-\(4\)](#).

**References/Contacts**

- ✓ [FPM I.3.C.5.b. Verification of Accounts and FUM](#)
- ✓ [FPM II.2.A.2.b. Determining Legality and Prudence of Investments](#)
- ✓ [FPM II.2.A.2.c. Requirements for Ensuring Security of Investments](#)

**Agenda item:** Policy & Procedure Reminder     **Presenter:** Nicole Weatherall, Analyst

**Target Audience:**

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

**Discussion:** P&F noticed an additional letter being sent out with the Fund Usage Review Due letters. This letter is unauthorized, and hubs must immediately cease sending out this additional letter.

Policy and Procedure maintains the stance that the Fund Usage Letter within the repository is appropriate. This letter should be utilized if the filed is experiencing issues following the dissemination of the auto-generated FUR letter that is sent out through VBMS.

We acknowledge that the letter generated through VBMS does not incorporate the updated language of the letter within the repository, however, updates to correct the VBMS generated letter were submitted. Additionally, we do not believe that the letter generated by VBMS conveys incorrect information, it is simply that we want the information to be more comprehensive as the updates to the repository version was made to be.

The field should immediately stop sending letters they make themselves. The field does not have authorization to create their own correspondence. The letters P&F develops undergo varying levels of concurrence to ensure that all existing policies and procedures are communicated, as well as any issues with the Paperwork Reduction Act or the Office of Management and Budget, are addressed. As such, only those letters generated in VBMS or approved within the repository should be utilized.

There are various issues created by the letter the field generated:

- It is not part of standard letters and as such our mail vendors are not trained on receiving the documents which will impact assigning incoming mail,

- The length of the letter goes against our recent pursuits to limit pages being sent,
- The budget form/updated expense form created by the hub is a violation since it has not been approved by OMB and also impacts PRA,
- The forms included are not comprehensive of what information is required for a FUR, and also some of the forms are not required by procedure, and
- Sending out this form is duplicative of letters which are automatically sent out by the system, unless these letters are being sent out as a follow-up action.

### References/Contacts

- ✓ [Fiduciary Letter Repository](#)

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**Agenda item:** Interactive Discussion/Action Mail

**Presenter:** Jason CUIKSA,  
Analyst

### Target Audience:

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

**Discussion:** P&F opened a discussion with the field looking for best practices for dealing with Action Mail. Action Mail are items that have come into the hubs through the mail portal, through faxes or via email. P&F wanted to determine what the hubs are doing with the Action Mail on a daily basis and if this can help the other hubs with their Action Mail processes. No best practices were identified.

### References/Contacts

- ✓ [FPM II.1.A](#)

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## *Post Call Follow-Up*

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### Quality Call Recording and Bulletins:

A recording and bulletin for the October 2023 Fiduciary Quality Call, will be available once finalized.

### P&F 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 Pension and Fiduciary (P&F) Quality mailbox at [PFTNGQUALOVRST.VBACO@va.gov](mailto:PFTNGQUALOVRST.VBACO@va.gov)

For specific policy and procedures related topics, please send inquiries through the [P&F Service Field Inquiry Tool \(FIT\)](#).

**TMS Course:**

Available content from the Quality Call (bulletin, recording, etc.) will be available in TMS. The TMS # for the October 2023 Pension and Fiduciary Quality Call is VA 4650879 (Pension and Fiduciary Service Quality Call – Fiduciary October 2023).

The next Quality Call will be presented in December 2023.