

For: FSA Offices

Updating Claims and Receivables With National Payment Service (NPS) Payments

Approved by: Deputy Administrator, Management



1 Overview

A Background

Claims reside on the System 36/AS 400 Automated Claims System (ACS). Activity recorded in ACS is transmitted daily to update the Central Claims Database (CCDB), which is a centralized database. CCDB validates the data and updates the Debt Data Warehouse (DDW). When a nationally paid NPS payment request is received, NPS searches DDW to determine whether an open claim exists. Open claims are displayed on the NPS work list.

Receivables reside on the System 36 Common Receivables System (CRS). Receivable activity recorded in CRS, including receivable establishment and a collection because of voluntary repayment, is transmitted daily to update DDW. When a nationally paid NPS payment request is received, NPS searches DDW to determine whether an open receivable exists. Open receivables are displayed on the NPS work list.

All receivables and/or claims for a producer will be displayed on the NPS work list. If a producer is in bankruptcy, the payment should not be offset. If the debt is in litigation, OGC must be contacted before the payment is offset. To prevent offsets from being taken incorrectly, the referral/status codes of debts in bankruptcy or litigation must be recorded promptly in the System 36 ACS. See 64-FI, Part 13 for instructions in referring claims in bankruptcy or litigation.

If the user elects to offset the payment to pay a claim or receivable, the collection will be replicated to the System 36 in the responsible office and applied through ACS or CRS during start-of-day processing or from either of the following menu options:

- Claims Primary Selection Menu AVA001, option 10, "Electronic Web Claim Processing"
- Receivable Main Menu AQK000, option 11, "Electronic Web Receivable Processing".

Disposal Date	Distribution
December 1, 2005	All FSA Offices; State Offices relay to County Offices

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1 Overview (Continued)

B Purpose

This notice provides instructions for County Office employees to:

- process NPS collections
- establish receivables created because of canceled NPS payments into CRS
- refund NPS overpayments
- correct NPS collections already applied.

C Contact

If there are questions about this notice, State Offices shall contact the appropriate office according to the following. County Offices shall contact the State Office.

Issue	Contact
Software-related problems	Contact the Office of the Chief Information Officer/ Information Technology (IT) Service Desk at 800-255-2434 or the State IT Specialist. Note: Select option 3 for software, and then option 4 for accounting.
Policies in this notice	Contact any of the following: • Robin Crouthamel by: <ul style="list-style-type: none">• e-mail at Robin.Crouthamel@kcc.usda.gov• telephone at 816-926-1613 • Rodney Davis by: <ul style="list-style-type: none">• e-mail at Rodney.Davis@wdc.usda.gov• telephone at 703-305-1310 • Barbara Nowell by: <ul style="list-style-type: none">• e-mail at Barbara.Nowell@wdc.usda.gov• telephone at 703-305-1433.

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2 Updating Claims and Receivables on the System 36/AS 400

A Overview

When an offset is taken from an NPS payment, the offset will immediately:

- replicate to the AS 400 where it will reside until the next System 36 start-of-day process or until a user takes action according to subparagraph C
- generate a report on the default printer advising the user of a pending collection.

The following 2 methods will process NPS claim and receivable offsets and receivable establishments from the AS 400 to the System 36 history files:

- automatically during start-of-day processing
- manually by claim or receivable menu options.

B Claim and Receivable Offsets and/or Receivable Establishments Applied During Start-of-Day Processing

The start-of-day process will automatically apply NPS claim and receivable offsets and receivable establishments to the applicable System 36 history files. The following reports will be generated on the default printer:

- FSA-671 for each claim offset
- Receivable Establishment Verification Report for each new receivable.

Instead of waiting for the next start-of-day process, the user may elect to manually update System 36 claim or receivable history files by selecting menu options as noted in subparagraph C for claims and subparagraph D for receivables.

C Updating Claims Activity Other Than During Start-of-Day Processing

The user may elect to update claims activity during the day when notified of a pending offset. Access Claims Primary Selection Menu AVA001 according to the following.

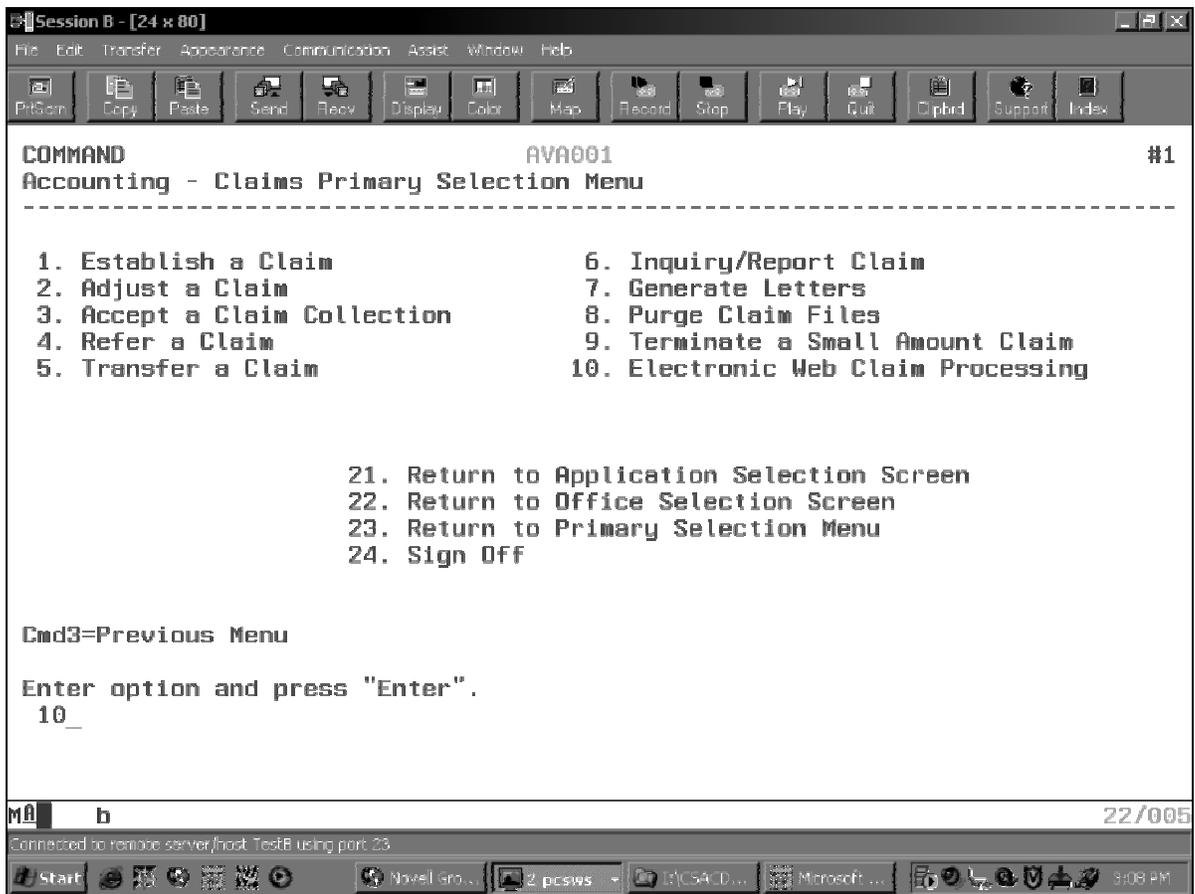
Step	Action	
1	Determine whether the claim to be updated is in the headquarters office.	
	IF...	THEN on Menu FAX250, ENTER...
	the claim to be updated is in the headquarters office	“3” and PRESS “Enter”. Go to step 3.
	a specific office is to be selected to process the activity	“4” and PRESS “Enter”. Result: Menu FAX09002 will be displayed.
2	On Menu FAX09002, select the office and enter the appropriate option. See 2-IRM if additional information is needed. Result: Application Selection Menu FAX07001 will be displayed.	

2 Updating Claims and Receivables on the System 36/AS 400 (Continued)

C Updating Claims Activity Other Than During Start-of-Day Processing (Continued)

Step	Action
3	On Menu FAX07001, ENTER "1", "Accounting". Result: Accounting Main Menu AAA000 will be displayed.
4	On Menu AAA000, ENTER "3", "Debts & Claims Function". Result: Claims Primary Selection Menu AVA001 will be displayed.

The following is an example of Menu AVA001.



On Menu AVA001, select option 10, "Electronic Web Claim Processing", and PRESS "Enter" to process claims activity initiated through NPS. A screen will be displayed to select the printer to print FSA-671. Enter the printer number and PRESS "Enter". No further action is necessary.

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2 Updating Claims and Receivables on the System 36/AS 400 (Continued)

C Updating Claims Activity Other Than During Start-of-Day Processing (Continued)

Screen AYKNOREC will be displayed when there is no claims data to be processed.

Accounting	047 MERCED	Review	AYKNOREC
No Record Screen	Version: AD08 03-02-2005 07:30 Term #1		

<p>National Payment Service (NPS) Claim offset data is not currently available for processing.</p> <p>Data will be processed through this option when an NPS payment has been offset/applied to an existing Claim. The Claim offset data may not have completed replication from NPS to the AS-400 yet. Please try again later.</p> <p>If this message continues to be displayed and you have completed an NPS offset to reduce an existing claim, check your system default printer for a report named "NPS -Claim/Receivable Replication Failure".</p> <p>Enter=Continue</p>			

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2 Updating Claims and Receivables on the System 36/AS 400 (Continued)

D Updating Receivables Activity Other Than During Start-of-Day Processing

The user may elect to update receivables activity during the day when notified of a pending voluntary offset or when notified that an NPS payment was canceled and a receivable established. Access Receivable Main Menu AQB000 according to the following.

Step	Action
1	Determine whether the receivable to be updated is in the headquarters office.
	IF...
	the receivable to be updated is in the headquarters office
	THEN on Menu FAX250, ENTER...
	“3” and PRESS “Enter”. Go to step 3.
	“4” and PRESS “Enter”.
	Result: Menu FAX09002 will be displayed.
2	On Menu FAX09002, select the office and enter the appropriate option. See 2-IRM if additional information is needed.
	Result: Application Selection Menu FAX07001 will be displayed.
3	On Menu FAX07001, ENTER “1”, “Accounting”.
	Result: Accounting Main Menu AAA000 will be displayed.
4	On Menu AAA000, ENTER “8”, “Common Receivable Function”.
	Result: Receivable Main Menu AQB000 will be displayed.

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2 Updating Claims and Receivables on the System 36/AS 400 (Continued)

D Updating Receivables Activity Other Than During Start-of-Day Processing (Continued)

The following is an example of Menu AQB000.

```
Session B - [24 x 80]
COMMAND AQB000 E0
Accounting - Receivable Main Menu
-----
1. Establish A Receivable
2. Record A Receivable Collection
3. Transfer Receivables To Claim
   Status
4. Transfer Receivables To Note
   Receivables
5. Write-Off A Small Balance
   Receivable
*6. Modify Receivables Status
7. Prepare Demand Letters
8. Correct A Receivable
9. Inquire/Print Receivable
   Status Reports
10. Purge Receivable History Files
11. Electronic Web Receivable Processing
20. Return To Application Primary Menu
21. Return To Application Selection Screen
22. Return To Office Selection Screen
23. Return To Primary Selection Menu
24. Sign Off
Cmd3=Previous Menu
Enter option and press "Enter".
-
```

On Menu AQB000, select option 11, “Electronic Web Receivable Processing”, and PRESS “Enter” to process NPS-initiated receivable activity other than during start-of-day processing. Menu AQBWEB will be displayed to select the type of receivable activity to be processed.

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2 Updating Claims and Receivables on the System 36/AS 400 (Continued)

D Updating Receivables Activity Other Than During Start-of-Day Processing (Continued)

The following is an example of Menu AQBWEB.

```
Session B - [24 x 80]
COMMAND AQBWEB E0
Accounting - Electronic Web Receivable Processing
-----
1. Electronic Web Receivable Creation Processing
2. Electronic Web Voluntary Collections Processing
20. Return To Application Primary Menu
21. Return To Application Selection Screen
22. Return To Office Selection Screen
23. Return To Primary Selection Menu
24. Sign Off
Cmd3=Previous Menu
Enter option and press "Enter".
-
ME b 22/003
start Novell GroupWise - M... Document2 - Microsof... Session A - [24 x 80] Session B - [24 x 80] 5:40 PM
```

Select option 1 to establish a receivable, which is created by NPS when an NPS payment is canceled, into CRS. If the records to complete the receivable establishment are not present yet, Screen AQBEMPT will be displayed.

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2 Updating Claims and Receivables on the System 36/AS 400 (Continued)

D Updating Receivables Activity Other Than During Start-of-Day Processing (Continued)

The following is an example of Screen AQKEMPT.

Accounting	047 MERCED	Review	AQKEMPT
No Record Screen	Version: AD08	03-02-2005	07:21 Term #1

No data present to complete the establishment of a Receivable. The Receivable establishment information may not have completed transfer from the National Payment Service.			
Receivable information will be present if payments have been canceled after signing via the National Payment Service.			
Please try again later.			
Enter=Continue			

Select option 2 on Menu AQKWEB to update receivables for any voluntary receivable NPS offsets. No further action is necessary.

3 Refunding Overcollections of Claims and Receivables

A Overview

If an offset is taken from an NPS payment and there is no outstanding System 36 claim or receivable to apply the offset, the amount withheld must be refunded to the payee. A payment coded "NPSREFUND" will be sent to the County Office for processing through the System 36.

The offset of a claim or receivable may result in the claim or receivable being overpaid because:

- of the timing difference between updating the centralized database and offsetting a payment
- a collection was received from another Agency, such as through the Treasury Offset Program (TOP).

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3 Refunding Overcollections of Claims and Receivables (Continued)

A Overview (Continued)

The NPSREFUND will be processed during normal start-of-day activity. If an NPSREFUND needs to be processed, Screen AYKREFS will be displayed.

The following is an example of Screen AYKREFS.

```
Accounting      047 MERCED      Refund  AYKREFS
Web Transaction Message Screen      Version: AD08 02-15-2005 10:00 Term #2
-----
Refund transactions are being placed on the WEB Payment file.

Please select Option 14 from the Check Writing Main Menu to
process 'refund' payments when this process has completed.

Enter=Continue
```

B Running the NPS Refund Process

The NPS refund:

- will be downloaded to the County Office where the offset was taken
- shall be processed the same day that it is received in the County Office
- will be accessed through the Accounting application's Disbursement/Check Writing application.

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3 Refunding Overcollections of Claims and Receivables (Continued)

B Running the NPS Refund Process (Continued)

Access the NPSREFUND records according to the following.

Step	Action
1	Determine whether the activity should be processed in the headquarters office.
	IF...
	the activity should be processed in the headquarters office
	THEN on Menu FAX250, ENTER...
	“3” and PRESS “Enter”. Go to step 3.
	“4” and PRESS “Enter”.
	Result: Menu FAX09002 will be displayed.
2	On Menu FAX09002, select the office and enter the appropriate option. See 2-IRM if additional information is needed.
	Result: Application Selection Menu FAX07001 will be displayed.
3	On Menu FAX07001, ENTER “1”, “Accounting”.
	Result: Accounting Main Menu AAA000 will be displayed.
4	On Menu AAA000, ENTER “1”, “Disbursement/Check Writing”.
	Result: Check Writing Main Menu ANK000 will be displayed.

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3 Refunding Overcollections of Claims and Receivables (Continued)

B Running the NPS Refund Process (Continued)

The following is an example of Menu ANK000.

```
Session B - [24 x 80]
File Edit View Appearance Communication Applications Help
-----
[Icons]
-----
COMMAND ANK000 E0
Accounting - Check Writing Main Menu
-----
1. On-line Check Writing      8. Inquiry of Accounting Payment File
2. Batch Check Writing       9. Void Checks
3. Manual Check Writing      10. Substitute Processing
4. Cancel a Payment         11. Reprint Payment Transaction Statement
5. Correct Payment Numbers or Data 12. Calculate Interest Penalty
6. Lost/Stolen/Destroyed Flags 13. Authorized Payments
7. Purge Check Writing      14. Electronic Web Payment Processing

                23. Return to Primary Selection Menu

Cmd3=Previous Menu

Enter option and press "Enter".
-

MF b 22/003
Connected to remote server /host: 192.120.112.10 Using port 22
start Novell GroupWise - M... New System 36 scree... Session A - [24 x 80] Session B - [24 x 80] 5:46 PM
```

On Menu ANK000, select option 14, “Electronic Web Payment Processing”, to process any NPSREFUNDS. Screen ANK14010 will be displayed.

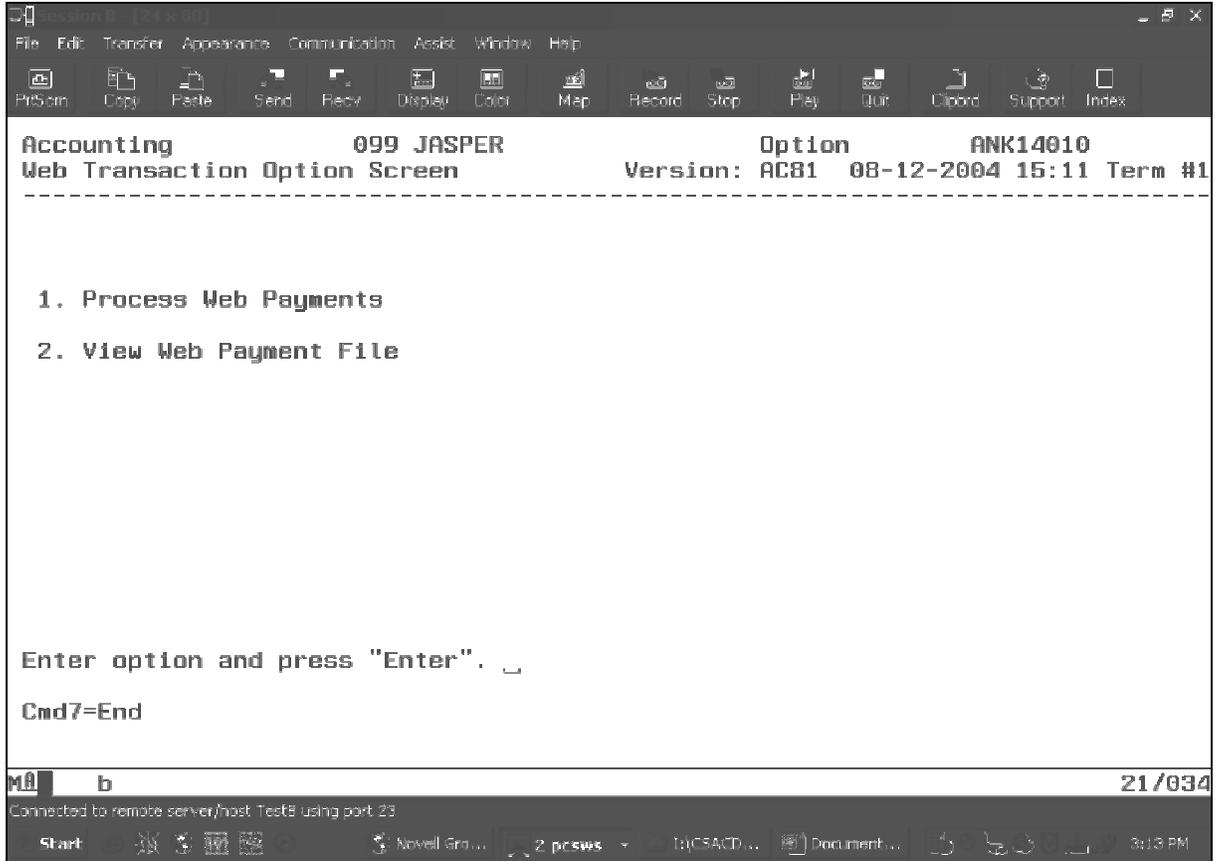
Note: If there were no overcollections, Screen ANK14010 will be displayed with the message, “The web transaction file is not present or does not contain any records. The information on this file is downloaded from KCFO. Contact the National Help Desk or your State AC for assistance.”

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3 Refunding Overcollections of Claims and Receivables (Continued)

B Running the NPS Refund Process (Continued)

The following is an example of Screen ANK14010.



Select option:

- 1 to process the web payments

Note: Payments will be processed through the Disbursement/Check Writing application in a batch mode. See 6-FI, paragraph 63.

- 2 to view the web payments scheduled for processing.

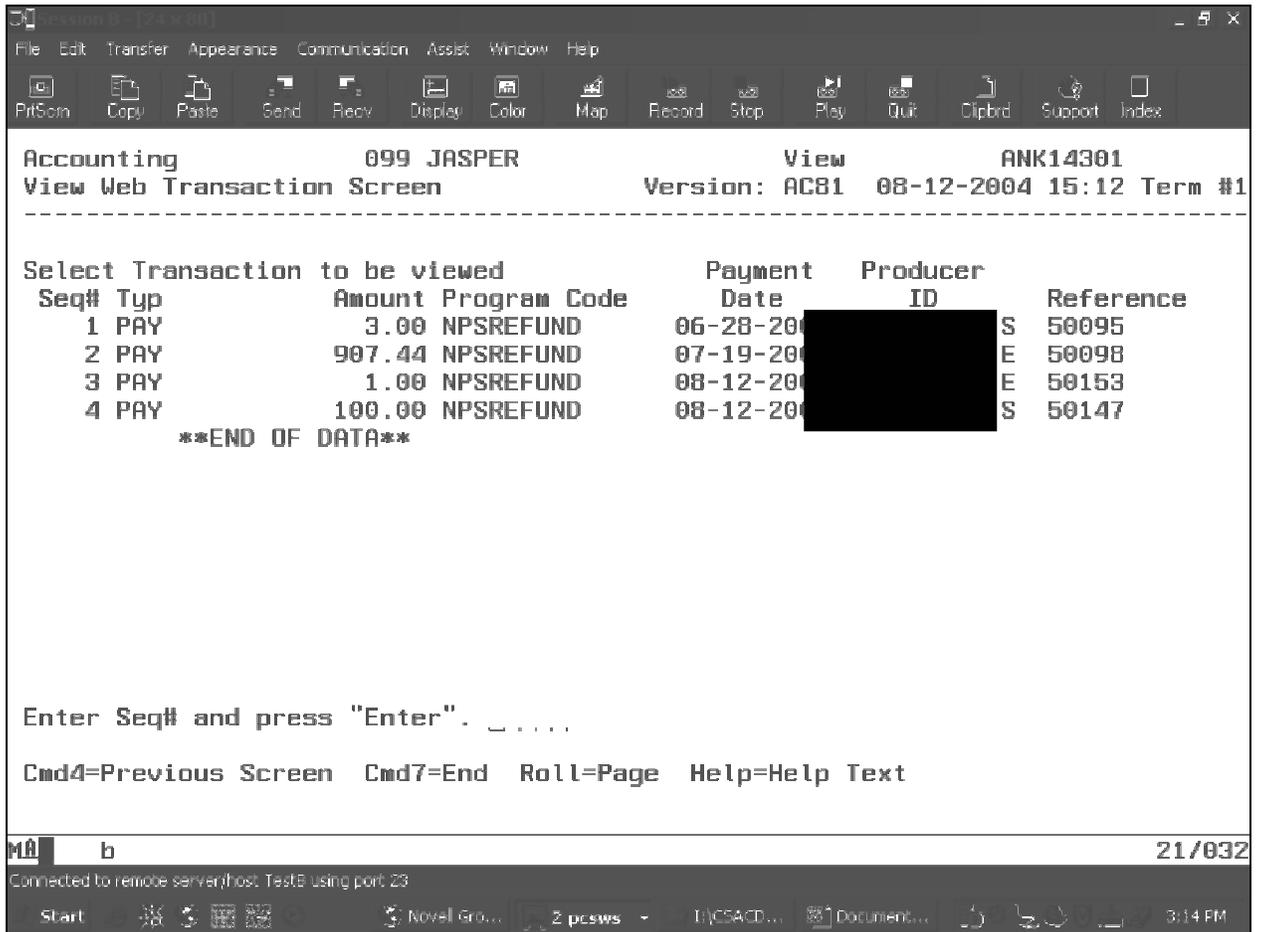
Note: The system will display a list of payments.

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3 Refunding Overcollections of Claims and Receivables (Continued)

B Running the NPS Refund Process (Continued)

The following is an example of the view option on Screen ANK14301, which displays the payment information.



The user may select “Seq#” to view additional details, such as the program from which the offset was taken.

Note: See 1-FI to view options and to continue the payment process.

Payments will be issued through the System 36/AS 400 Disbursement/Check Writing application to the payment recipient by direct deposit or by check, depending on the producer profile. If the payment recipient has additional claims or receivables, the System 36/AS 400 will provide for the offset of the payment.

4 Receivable Establishment Timing Requirements

A Timing Issues

In the System 36 environment, an issued payment can be canceled as not available (lost) and a receivable is established. The user may immediately issue a new System 36 payment that can be offset to pay the receivable. In the current state of migration from System 36 to the web-based NPS, there is a timing delay when the payment being canceled is an NPS payment.

When a signed web-based NPS payment is canceled, a receivable will be established. The following must occur before another NPS payment can be offset to satisfy the new receivable establishment:

- the receivable establishment will replicate immediately to the AS 400
- the System 36 Receivable History update will occur during start-of-day or by manually selecting receivable menu options
- the SSCCAE7 Accounting Transmission file must be successfully queued and transmitted to Kansas City
- the SSCCAE7 receivable transactions must be successfully updated to applicable Kansas City database tables.

Once these updates are complete, another NPS payment request can be processed and the NPS work list should reflect a receivable link for payment offset to satisfy the receivable. This timeframe should take a minimum of 2 workdays.

Example: If a signed NPS payment is canceled on Monday (before SSCCAE7 is queued), the receivable should be available for offset Wednesday morning.

Note: If the next NPS payment request is already processed, but not certified or signed, and the receivable link does not yet appear on the NPS work list, click the “reset special processing” link to allow NPS to search again for the new receivable.

5 NPS Offset Corrections

A Overview

An NPS offset that was applied to a claim may need to be reversed if the:

- County Office is notified by KCFO that a Department of Justice, TOP, or cross-servicing collection was received that predates the NPS offset
- producer wins an appeal and the NPS offset must be refunded.

5 NPS Offset Corrections (Continued)

B Claim Partially Paid

An NPS offset that partially paid a claim is corrected using the:

- “Record a Collection” function
- “Correct a Collection” option.

The discovery code is “10” and the reason code is “643”. This will remove the collection and increase the balance due.

If all or part of the NPS collection can be re-applied to a claim, use the:

- “Record a Collection” function
- “Record an Automatic Offset Collection” option.

The discovery code is “10” and the reason code is “664”.

C Claim Paid in Full

A claim previously paid in full by an NPS offset must be re-established using the:

- “Establish a Claim” function
- “Reestablish an Inactive Claim on File” option.

The discovery code is “10” and the reason code is “650”. If all or part of the NPS collection can be re-applied to a claim, use the:

- “Record a Collection” function
- “Record an Automatic Offset Collection” option.

The discovery code is “10” and the reason code is “664”.

Note: After the NPS offset is re-applied, there may be a remaining balance that must be refunded to the producer. A special code will be established in a forthcoming System 36 software release. Until the special code is established, hold the paperwork in a folder for later processing.

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6 Claims and Receivables With a Remaining Balance After an NPS Offset

A Handling Instructions

Any claims or receivables with a remaining balance after an NPS offset should be handled as follows:

- small balances should be written off
- receivables should be transferred to ACS after 60 calendar days
- claims will remain in the County Office if the claim:
 - is in litigation, bankruptcy, or appeal
 - can be paid in full by administrative offset within 3 years
- all other claims should be transferred immediately to KCFO if the:
 - producer is no longer participating
 - claim cannot be paid in full by administrative offset within 3 years
 - claim is over 3 years old.