

## § 201.202

both the creditor agency and the paying agency.

[62 FR 38019, July 16, 1997, as amended at 68 FR 32976, June 3, 2003]

### § 201.202 Purpose and scope of salary and administrative offset rules.

(a) *Purpose.* The purpose of sections 201.201 through 201.207 is to implement 5 U.S.C. 5514, 31 U.S.C. 3716, and 31 U.S.C. 3720A which authorize the collection by salary offset, administrative offset, or tax refund offset of debts owed by persons, organizations, or entities to the Federal government. Generally, however, a debt may not be collected by such means if it has been outstanding for more than ten years after the agency's right to collect the debt first accrued. These proposed regulations are consistent with the Office of Personnel Management regulations on salary offset, codified at 5 CFR Part 550, subpart K, and with regulations on administrative offset codified at 31 CFR part 901.

(b) *Scope.* (1) Sections 201.201 through 201.207 establish agency procedures for the collection of certain debts owed the Government.

(2) Sections 201.201 through 201.207 apply to collections by the Commission from:

(i) Federal employees who are indebted to the Commission;

(ii) Employees of the Commission who are indebted to other agencies; and

(iii) Other persons, organizations, or entities that are indebted to the Commission.

(3) Sections 201.201 through 201.207 do not apply:

(i) To debts or claims arising under the Internal Revenue Code of 1986 (26 U.S.C. *et seq.*), the Social Security Act (42 U.S.C. 301 *et seq.*), or the tariff laws of the United States;

(ii) To a situation to which the Contract Disputes Act (41 U.S.C. 601 *et seq.*) applies; or

(iii) In any case where collection of a debt is explicitly provided for or prohibited by another statute (e.g., travel advances in 5 U.S.C. 4108).

(4) Nothing in Sections 201.201 through 201.207 precludes the compromise, suspension, or termination of collection actions where appropriate under the standards implementing the

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Federal Claims Collection Act (31 U.S.C. 3711 *et seq.*), namely, 31 CFR chapter IX.

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### § 201.203 Delegation of authority.

Authority to conduct the following activities is hereby delegated to the Director:

(a) Initiate and effectuate the administrative collection process;

(b) Accept or reject compromise offers and suspend or terminate collection actions where the claim does not exceed \$100,000 or such higher amount as the Chairman may from time to time prescribe, exclusive of interest, administrative costs, and penalties as provided herein, as set forth in 31 U.S.C. 3711(a)(2);

(c) Report to consumer reporting agencies certain data pertaining to delinquent debts;

(d) Use offset procedures to effectuate collection; and

(e) Take any other action necessary to facilitate and augment collection in accordance with the policies contained herein and as otherwise provided by law.

### § 201.204 Salary offset.

(a) *Notice requirements before offset where the Commission is the creditor agency.* Deductions under the authority of 5 U.S.C. 5514 will not be made unless the Commission provides the employee with a written Notice of Intent to Offset a minimum of 30 calendar days before salary offset is initiated. The Notice of Intent shall state:

(1) That the Director has reviewed the records relating to the claim and has determined that a debt is owed;

(2) The Director's intention to collect the debt by means of deduction from the employee's current disposable pay account until the debt and all accumulated interest is paid in full;

(3) The amount of the debt and the facts giving rise to the debt;

(4) A repayment schedule that includes the amount, frequency, proposed beginning date, and duration of the intended deductions;

(5) The opportunity for the employee to propose an alternative written schedule for the voluntary repayment