

## § 5.1

5.19 Will Treasury entities issue a refund if money is erroneously collected on a debt?

**Subpart C—Procedures for Offset of Treasury Department Payments To Collect Debts Owed to Other Federal Agencies**

5.20 How do other Federal agencies use the offset process to collect debts from payments issued by a Treasury entity?

5.21 What does a Treasury entity do upon receipt of a request to offset the salary of a Treasury entity employee to collect a debt owed by the employee to another Federal agency?

**APPENDIX A TO PART 5—TREASURY DIRECTIVE 34-01—WAIVING CLAIMS AGAINST TREASURY EMPLOYEES FOR ERRONEOUS PAYMENTS**

AUTHORITY: 5 U.S.C. 5514; 26 U.S.C. 6402; 31 U.S.C. 321, 3701, 3711, 3716, 3717, 3718, 3720A, 3720B, 3720D.

SOURCE: 67 FR 65845, Oct. 28, 2002, unless otherwise noted.

**Subpart A—General Provisions**

**§ 5.1 What definitions apply to the regulations in this part?**

As used in this part:

*Administrative offset* or *offset* means withholding funds payable by the United States (including funds payable by the United States on behalf of a State Government) to, or held by the United States for, a person to satisfy a debt owed by the person. The term “administrative offset” includes, but is not limited to, the offset of Federal salary, vendor, retirement, and Social Security benefit payments. The terms “centralized administrative offset” and “centralized offset” refer to the process by which the Treasury Department’s Financial Management Service offsets Federal payments through the Treasury Offset Program.

*Administrative wage garnishment* means the process by which a Federal agency orders a non-Federal employer to withhold amounts from a debtor’s wages to satisfy a debt, as authorized by 31 U.S.C. 3720D, 31 CFR 285.11, and this part.

*Agency* or *Federal agency* means a department, agency, court, court administrative office, or instrumentality in the executive, judicial, or legislative branch of the Federal Government, including government corporations.

*Creditor agency* means any Federal agency that is owed a debt.

*Debt* means any amount of money, funds or property that has been determined by an appropriate official of the Federal Government to be owed to the United States by a person. As used in this part, the term “debt” does not include debts arising under the Internal Revenue Code of 1986 (26 U.S.C. 1 *et seq.*).

*Debtor* means a person who owes a debt to the United States.

*Delinquent debt* means a debt that has not been paid by the date specified in the agency’s initial written demand for payment or applicable agreement or instrument (including a post-delinquency payment agreement) unless other satisfactory payment arrangements have been made.

*Delinquent Treasury debt* means a delinquent debt owed to a Treasury entity.

*Disposable pay* has the same meaning as that term is defined in 5 CFR 550.1103.

*Employee* or *Federal employee* means a current employee of the Treasury Department or other Federal agency, including a current member of the Armed Forces, Reserve of the Armed Forces of the United States, or the National Guard.

*FCCS* means the Federal Claims Collection Standards, which were jointly published by the Departments of the Treasury and Justice and codified at 31 CFR parts 900-904.

*Financial Management Service* means the Financial Management Service, a bureau of the Treasury Department, which is responsible for the centralized collection of delinquent debts through the offset of Federal payments and other means.

*Payment agency* or *Federal payment agency* means any Federal agency that transmits payment requests in the form of certified payment vouchers, or other similar forms, to a disbursing official for disbursement. The “payment agency” may be the agency that employs the debtor. In some cases, the Treasury Department may be both the creditor agency and payment agency.

*Person* means an individual, corporation, partnership, association, organization, State or local government, or

any other type of entity other than a Federal agency.

*Salary offset* means a type of administrative offset to collect a debt owed by a Federal employee from the current pay account of the employee.

*Secretary* means the Secretary of the Treasury.

*Tax refund offset* is defined in 31 CFR 285.2(a).

*Treasury debt* means a debt owed to a Treasury entity by a person.

*Treasury Department* means the United States Department of the Treasury.

*Treasury entity* means the Office of Inspector General, the Office of Inspector General for Tax Administration, or a bureau of the Treasury Department, including the Departmental Offices, responsible for the collection of the applicable Treasury debt. Departmental Offices include, but are not limited to, the Office of D.C. Pensions, the Community Development Financial Institution Fund, the Executive Office of Asset Forfeiture, and the Office of Foreign Assets Control. Other bureaus include, but are not limited to, the Bureau of Public Debt; Bureau of Engraving and Printing; U.S. Mint; U.S. Secret Service; Customs Service; Financial Management Service; Internal Revenue Service; Bureau of Alcohol, Tobacco, and Firearms; Office of Comptroller of the Currency; the Office of Thrift Supervision; Federal Law Enforcement Training Center; and the Financial Crimes Enforcement Network.

**§ 5.2 Why is the Treasury Department issuing these regulations and what do they cover?**

(a) *Scope.* This part provides procedures for the collection of Treasury debts. This part also provides procedures for collection of other debts owed to the United States when a request for offset of a Treasury payment is received by the Treasury Department from another agency (for example, when a Treasury Department employee owes a debt to the United States Department of Education).

(b) *Applicability.* (1) This part applies to the Treasury Department when collecting a Treasury debt, to persons who owe Treasury debts, and to Federal agencies requesting offset of a payment

issued by the Treasury Department as a payment agency (including salary payments to Treasury Department employees).

(2) This part does not apply to tax debts nor to any debt for which there is an indication of fraud or misrepresentation, as described in § 900.3 of the FCCS, unless the debt is returned by the Department of Justice to the Treasury Department for handling.

(3) This part does not apply to the Financial Management Service when acting on behalf of other Federal agencies and states to collect delinquent debt referred to the Financial Management Service for collection action as required or authorized by Federal law. See 31 CFR part 285.

(4) Nothing in this part precludes collection or disposition of any debt under statutes and regulations other than those described in this part. See, for example, 5 U.S.C. 5705, Advancements and Deductions, which authorizes Treasury entities to recover travel advances by offset of up to 100% of a Federal employee's accrued pay. See, also, 5 U.S.C. 4108, governing the collection of training expenses. To the extent that the provisions of laws, other regulations, and Treasury Department enforcement policies differ from the provisions of this part, those provisions of law, other regulations, and Treasury Department enforcement policies apply to the remission or mitigation of fines, penalties, and forfeitures, and debts arising under the tariff laws of the United States, rather than the provisions of this part.

(c) *Additional policies and procedures.* Treasury entities may, but are not required to, promulgate additional policies and procedures consistent with this part, the FCCS, and other applicable Federal law, policies, and procedures.

(d) *Duplication not required.* Nothing in this part requires a Treasury entity to duplicate notices or administrative proceedings required by contract, this part, or other laws or regulations.

(e) *Use of multiple collection remedies allowed.* Treasury entities and other Federal agencies may simultaneously use multiple collection remedies to collect a debt, except as prohibited by law. This part is intended to promote