

Issue Date: 03/01/2003

BILLINGS AND COLLECTIONS

I. Purpose

This directive establishes the Department of Homeland Security (DHS) policy for billings and collections.

II. Scope

This directive applies to all DHS organizational elements serviced by the DHS Office of the Chief Financial Officer. All organizational elements that receive financial management support from another Federal agency or that have existing programs, should continue to use those procedures until a DHS-wide system is developed and implemented.

III. Authorities

This directive is governed by numerous Public Laws and national policy, such as:

- A. Federal Credit Reform Act of 1990.
- B. Cash Management Improvement Act of 1990.
- C. Federal Debt Collection Procedures Act of 1990.
- D. Cash Management Improvement Act Amendments of 1992.
- E. Debt Collection Improvement Act of 1996.
- F. Federal Claims Collection Act of 1966.
- G. 8 U.S.C. 1356.
- H. Title 31 U.S.C., Money and Finance.
- I. Managing Federal Credit Programs, OMB Circular A-129, 2000.
- J. Treasury Financial Manual, TFM 1, Part 5 and Part 6, 8000.

- K. 31 CFR Chapter IX and Parts 900-904.
- L. FASAB Standards, SFFAS # 1 & #7.

IV. Definitions

A. **Due process**: Assuring due process to a debtor by providing: (1) written notification of the nature and amount of the debt; (2) written notification of policies related to accrual of interest and penalty charges; (3) written notification of rights to dispute and/or appeal as appropriate; (4) notice of the intention of the Agency to pursue collection of the debt through administrative offset if necessary; (5) an opportunity to inspect and copy the records of the agency; (6) an opportunity for review within the agency; and (7) an opportunity to enter into a written repayment agreement.

V. Responsibilities

The **Under Secretary for Management** shall be responsible for all aspects of this directive.

VI. Policy and Procedures

A. **Policy**: The U.S. Coast Guard financial system will be used by DHS until a DHS-wide financial system is implemented. Billings will be generated from the financial system in accordance with applicable agreements or in accordance with applicable regulations for services rendered. A system of internal controls will be established and maintained by the Office of the Chief Financial Officer to provide reasonable assurance that cash and debt management activities are effectively and efficiently executed.

B. **Procedures**: DHS will maintain a financial management system with internal controls to account for all billings and collections. Billings and collections will be in accordance with applicable regulations.

C. **Question or Concerns Regarding the Process**: Any questions or concerns regarding this directive should be addressed to the Office of the Under Secretary for Management.