Send Debt to the Treasury Offset Program (TOP)

For Debts Already Entered into the
Kansas Debt Recovery System (KDRS)

revised 1/2015

DEBTS EXCLUDED FROM TOP

The Debt Collection Improvement Act of 1996, Public Law Number 104-134 (DCIA) allows states to voluntarily refer all legally enforceable state debts at any time for federal administrative offset and tax refund offset. "Legally enforceable debts" for states do **NOT** include the following debts:

- Discharged in bankruptcy
- Subject to the automatic bankruptcy stay
- In forbearance or under administrative appeal
- In foreclosure
- At the Department of Justice
- Owed by a federal agency
- Owed by a foreign/sovereign government
- Owed by another state or local government
- Over applicable statute of limitations for offset
- Reported to the Internal Revenue Service as income to the debtor on a form 1099C
- Delinquent more than 10 years unless the debt may be legally offset if more than 10 years delinquent

STATE AGENCY REQUIREMENTS

DUE DILIGENCE / DUE PROCESS REQUIREMENTS

Creditor agencies must provide debtors with due process prior to referring debts for offset. Regulations detailing due process requirements are at 31 CFR Parts 285 and 901. Creditor agencies must also review regulations and laws authorizing or affecting their particular debts to determine if they contain additional due process requirements.

At least 60 days before submitting debt to TOP, the creditor agency is required to provide written notification to debtors of the agency's intention to collect the debt through administrative offset of federal payments. (KTOP will send due diligence letters to debtors at the request of the creditor agency.) That due diligence may include:

1. Inspect and copy creditor agency records related to their debt;
2. Request a review of the determination that they owe this debt;
3. Enter into an acceptable written repayment agreement with the creditor agency (see 31 U.S.C. 3716(a)).

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For Debts Already Entered into KDRS *revised 12/14*

CERTIFY DEBTS

Pursuant to 31 U.S.C. 3716(a), the head of each creditor agency (or designee) must certify each debt it submits to TOP through KTOP. Specifically, creditor agencies must certify to KTOP that the debt is past due, legally enforceable, and that the debtor was provided with a notice (KTOP can send these out on behalf of agencies) and an opportunity for a review in accordance with the provisions of 31 U.S.C. 3716(a) and other applicable laws. In addition, creditor agencies must certify that no debt submitted is more than 10 years delinquent, unless those debts may be legally offset if more than 10 years delinquent.

<div align="center">INSTRUCTIONS</div>

Please consider the following when capturing information and submitting a debt:

- The debt amount must be $25 or more.

- The tax ID and name of the debtor should match the tax ID and name on their tax return:

Debtor:	123456789	Billy	Doe Jr
Tax Return:	123456789	William	Doe

Once a debt that exists in KDRS has been sent to KTOP, they are linked between the two systems. Changes made to the debt in KDRS will be reflected in KTOP. If at some point you wish to stop federal offset for a debt, follow steps 1-4, and select No for step 5b. Doing this will cause KTOP to send an inactivation request for this debt the next time there is an update cycle.

BE AWARE: By choosing to submit debts to TOP, you are certifying that these debts are eligible for such submission according to federal statutes and regulations.

1. Under the KDRS *Debtors* Main Menu, select *Search for Debts*.

2. KDRS stores all certified debts in the debts table. There are several criteria for searching these debts. You may enter information in any or all of the fields for searching.

The Debts Search Criteria screen defaults to include both writeoff and non-writeoff debts. Since writeoff debts will not be sent to TOP, you should select non-writeoff debts in order to reduce your search results.

Enter the appropriate criteria and click *Search Debts*.

3. The system will generate a Debts Search Result List.

DEBTS SEARCH RESULT LIST

Tax ID	Agency	Debtor Name	Account	Type	Description	Amount	Options
				29			[Adjust]
				29			[Adjust]
				29			[Adjust]

Select the appropriate debt from the result list by placing the cursor over the record (the record will be highlighted in yellow) and clicking once. **Do not click on [Adjust] under the Options heading.**

4. Under Available Options on the Debt Record Details screen, select *Request modification of debt information*.

DEBT RECORD # ▬ DETAILS

Comments?	Current Appeals	Pending Trans	Adjustments
No	0	0	0

General Information

Referenced Debtor:	
Referenced Creditor Agency:	
Referenced Entry Batch:	
Debtor Type:	
First Name:	
Middle Name:	
Last Name:	
Creditor Submitted Address:	
Creditor Account Number:	
Setoff Account Number:	
Type of Debt:	
Writeoff or Setoff?	Setoff
Default Fee to Use:	
Special Fee to Use Instead of Default:	Use default fee
Debt Description:	

Downloadable Supporting Documents

Type	File Description	Size	Date

Status Information

Current Status:	
Original Amount:	
Current Amount:	
Current Amt Including Pending Items:	

Record Modification Information

Original Entry:	
Last Updated:	
Status Date:	

Available Options

Request an adjustment to this debt
← Request modification of debt information ←
Send an email to setoff staff about this debt

5. On the Request Modification of Debt Details screen, complete the appropriate fields. A description of each field is provided below.

REQUEST MODIFICATION OF DEBT # 3846346 DETAILS

*When you see an entry field marked with an * the corresponding field is mandatory entry.*

Account Number:	██████████
* **Debt Type:**	████████████████████
a → **Send Debt to TOP?**	○ Yes ⦿ No
b → **Debt Active in TOP?**	○ Yes ○ No
* **Description:**	███████████████
Address From Creditor:	
c — **City, State Zip:**	
Country:	USA (United States Of America) ▼
d → **TOP Debt Type:**	○ Business Debt ○ Individual Debt
e → **Multi-Debtor Connector:**	
f → **Request Due Diligence Processing?**	○ Yes ⦿ No
g → **Delinquency Date:**	/ /
h → **Valid Over 10 Years?**	○ Yes ⦿ No
i → **Due Diligence Performed Date:**	/ /
j → **Modification Debt Notes**	

Request Mod

a. *Send Debt to TOP?* Select Yes to send the debt to TOP.

b. *Debt Active in TOP?* Select Yes when first certifying a debt for submission to TOP. You can change this value to No should you ever wish to discontinue this debt's inclusion in TOP.

c. *Address From Creditor; City, State Zip; and Country:* If you are submitting the debt to TOP, you **MUST** enter a current mailing address for the debtor.

d. *TOP Debt Type:* Select either Business Debt or Individual Debt. This may differ from the debtor type. For example, the debtor may be an individual although the debt is for his or her business.

e. *Multi-Debtor Connector:* If there are multiple debtors for a single debt, put a code of some sort in this field that is the same on all of the related debt records in KDRS. This code must also be unique from any and all unrelated debts in the database. If your account number is unique to

the debt, it can be used here and in the account number field. **IF IT IS NOT A MULTI-DEBTOR DEBT, LEAVE THIS FIELD BLANK!**

f. *Request Due Diligence Processing?* If you want KTOP to send the due diligence letter required for debt submission to TOP, select Yes. Be aware that the debt will not be submitted to TOP until 60 days after due diligence has been completed. **IF SELECTING YES, LEAVE THE DUE DILIGENCE PERFORMED DATE FIELD (see 5i below) BLANK!**

g. *Delinquency Date (mm/dd/yyyy):* This is the date on which the debt became delinquent. Most debts will only be offset by TOP for 10 years after this date and the date cannot be changed once the debt has been submitted to TOP.

h. *Valid Over 10 Years?* If the debt can be collected against past the normal 10 years, select Yes. Be aware that by selecting Yes, you are certifying that this debt may be collected against past 10 years according to TOP regulations. **Please note that you may inactivate a debt in TOP prior to the end of the 10 year period by changing Debt Active in TOP (see 5b above) to No.**

i. *Due Diligence Performed Date (mm/dd/yyyy):* This is the date your agency performed due diligence for the debt according to TOP regulations. The debt will not be submitted to TOP until 60 days after this date. **IF YOU SELECTED YES FOR REQUEST DUE DILIGENCE PROCESSING, LEAVE THIS FIELD BLANK!**

j. *Modification Debt Notes:* Enter a note on the modification, such as, "Sending debt to TOP."

6. Once you have completed all of the required fields, click *Request Mod* to submit the debt to TOP.

7. Repeat steps 1-6 for each debt record you would like to send to TOP.