



# NASA Procedural Requirements

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 (NASA Only)

## Subject: Billings and Collections

**Responsible Office: Office of the Chief Financial Officer**

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## Appendix A. Definitions

A.1 Administrative Charges for Delinquent Debt. Administrative charges for delinquent debt represent the additional costs incurred in processing and handling delinquent debts. The amount charged is based on actual costs incurred or on cost analyses, which established average actual additional costs.

A.2 Administrative Offset (as defined in 31 U.S.C. § 3701(a)(1)). Administrative Offset is the process of 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 claim. The payee may be a natural person or persons, profit or non-profit corporation, partnership, association, trust, estate, consortium, or other entity that is capable of owing a debt to the United States Government except that agencies of the United States or of any State or local government shall be excluded.

A.3 Collection Agent. Collection agents are NASA employees who are appointed by Center CFOs to manage the collection process.

A.4 Collection Mechanism. A collection mechanism is a tool or system by which monies owed to NASA are transferred or credited to NASA from the Public or another agency.

A.5 Date of Delinquency. The date of delinquency is the payment due date for an installment payment and the date of mailing of notice for an administrative debt.

A.6 Debt Compromise. A debt compromise is an agreement between the debtor and NASA that settles the debtor's liability for less than the full amount of the debt.

A.7 Debtor. A debtor is any person, organization, or entity, other than another Federal agency that owes an amount of money to NASA.

A.8 Delinquent Debt. Delinquent debt is any debt not paid by the date specified in the initial written notification (e.g., 14 CFR Chapter 5 Sec. 1261.407) or applicable contractual agreement, (including a post-delinquency payment agreement) unless other payment arrangements have been made.

A.9 Demand Letter. A demand letter is a written notification sent to a debtor when the initial billing is not paid within 30 days requiring the debtor to make payment. The demand letter informs the debtor of both the consequences of failure to liquidate the debt, and the due process provisions that are applicable to the debt.

A.10 Fedwire Deposit System. The Fedwire Deposit System is an electronic funds transfer system developed and maintained by the Federal Reserve. The system connects Federal Reserve Banks (FRB), the Treasury and Government agencies, and depository institutions that maintain an account at an FRB.

A.11 Interest Charges for Delinquent Debt. Interest charges are applied to delinquent debts to compensate the government for the loss of the use of funds when the debt is not paid timely and accrues from the date of the delinquency.

A.12 IPAC System. The IPAC system is an automated system used to electronically bill and collect for services

rendered and supplies delivered to other Federal Agencies. The IPAC system, which is a component of the Government On-Line Accounting Link System (GOALS), establishes a standardized interagency billing and adjustment procedure via a telecommunication network. Authorized personnel use the IPAC system for billing and collecting from other government agencies. IPAC is designed to preclude the need for agencies to request check payments which create disbursement and collection float costs.

A.13 Penalty Charges for Delinquent Debt. Penalty charges are applied to any portion of a debt that is outstanding for more than 90 days, including interest and administrative charges. Penalty charges discourage delinquencies and encourage early payment of the delinquent debt in full.

A.14 Remittance Express (REX). Remittance Express is a program designed to improve and streamline the process by which private sector remitters initiate payments (ACH credits) to the Federal Government. REX allows a Federal agency to use the ACH network to receive payments from its remitters.

A.15 Suspended Debt Collection. Suspended debt collection is the term used to describe the status of a debt when active collection efforts are deferred for a period of time. Center should consider suspension only when evidence indicates that doing so will enhance the chances of collection. During a period of suspension, passive collection may continue when appropriate.

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