



DEPARTMENT OF VETERANS AFFAIRS
Veterans Benefits Administration
Washington DC 20420

DEC 28 2011

Dear Higher Education Executive,

As we move forward in making progress in the administration of the Post-9/11 GI Bill, we have worked diligently with our stakeholders to identify areas where VA can improve. One such area is our procedure for processing VA payments returned by schools. Currently, schools are required to return payments to their servicing Regional Processing Office. This has resulted in school officials having to contact multiple VA offices for information regarding school debts and returned payments. In working with our stakeholders, it became clear that VA must streamline returned payment procedures. As such, effective January 1, 2012, the processing of returned payments will be consolidated at our Debt Management Center (DMC), in St Paul, Minnesota. Additionally on this date, the Muskogee, Oklahoma Regional Processing Office will assume sole responsibility for researching educational files to support correct application of returned payments.

Below are the procedures and options school officials should now follow when returning payments.

Institutions may return tuition and fee payments to VA by:

- Returning the entire electronically received Automated Clearinghouse (ACH) payment using ACH return code R31.
- Using plastic card or ACH Debit school liability payments through PayVA at <https://www.pay.va.gov/>. Do not go to Pay.gov, the Treasury site. The data entered on PayVA, if it meets certain edits, is passed to a Pay.gov server where school officials enter the school's plastic card or ACHDebit information. If the information entered on PayVA does not match an active Accounts Receivable record or the payment amount exceeds the balance of the receivable, school officials will be asked to call DMC. This prevents refunds. When the payment process is complete, the school official will be returned to VA's server, which will generate a success message. VA does not store the credit card or bank account information. When school officials use PayVA, it's very important to take the information for the online form from the collection letter DMC sent to the school. Also, school officials must ensure they're paying one debt for one student at a time. Because some students may have attended multiple schools, school officials must ensure they are paying one debt, for one student, at a time. If multiple schools have debts for the attendance of the same student, the school liability debts are distinguished by the payee number printed on the debt letter from DMC. School officials always have the option of calling our DMC's toll free number 1-800-827-0648 to get more information.

Note: Schools may return a portion of an electronic payment by sending a check to the DMC. See instructions below for sending a paper check to DMC.

- Returning the paper check from VA. Send to:

U.S. Department of the Treasury
Financial Management Service
P.O. Box 51318
Philadelphia, PA 19115-6316

- Writing a check to VA. We previously asked you to send checks written by your school to VA to the Agent Cashier of your Regional Processing Office of jurisdiction. We now ask you to mail this type of payment to the DMC at:

U.S. Department of Veterans Affairs
Debt Management Center
P. O. Box 11930
St. Paul, MN 55111

Notes:

1. You should not send any funds to DMC until your school receives a collection letter from DMC.
2. If you did not receive a collection notice from DMC or a letter from your Education RPO referencing a debt, verify with the certifying official at your school that information regarding any change in enrollment or tuition and fee charges was forwarded to your Education RPO before you forward a check.
3. If you have not received a letter from DMC, then VA has not processed the change and a receivable/debt has not yet been established.
4. If you forward a check without verifying that a debt exists and you do not include the tear off payment stub from the DMC letter, application of your payment will be delayed.
5. Your check must include the student's full name and social security number, and made payable to the U.S. Department of Veterans Affairs.
6. Your check should also be accompanied by the tear off payment stub from the bottom of the collection letter you received from DMC. This will expedite the application of your payment.

Thank you for your continued partnership in providing educational benefits to our nation's Veterans.

Sincerely,



Keith M. Wilson
Director, Education Service