#### Department of Veterans Affairs M29-1, Part 1, Chapter 34

**Veterans Benefits Administration June 11, 2019**

**Washington, DC 20420**

#### Key Changes

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| Changes Included in This Revision | The table below describes the changes included in this revision of Veterans Benefits Insurance Manual M29-1, Part 1, Chapter 34.  ***Notes***:   * **M29-1, Part 1, Chapter 34** has been rewritten in its entirety for improving clarity and readability. Any substantive changes are itemized in the table below. * Minor editorial changes have also been made to * improve clarity and readability * add references * update incorrect or obsolete references * update obsolete terminology, where appropriate * reorganize/relocate content within **M29-1, Part 1, Chapter 34** so that it flows more logically * reassign alphabetical designations to individual blocks, where necessary, to account for new and/or deleted blocks within a topic * update the labels of individual blocks and the titles of sections and topics to more accurately reflect their content, and * bring the document into conformance with M29-1 standards. |

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| Reason(s) for Notable Change | Citation |
| Clarifies that payments for financial transactions are processed by the Treasury Department’s collection lockbox service provider | Subchapter 34.01 |
| Explains that the Treasury Department collection lockbox service provider processes any direct payments made by check or money order, and the Insurance Center Collections Section processes any other kind of payments for the Insurance Center’s administered (in-house) programs | Subchapter 34.02 |
| Eliminates language and processes regarding Bank of America as the lockbox service provider and outdated reports as no longer applicable to the insurance programs | Subchapter 34.02 |
| Eliminates a reference to the Insurance Collections Section processing payments for VA Loan Guaranty, Education Service, and Centralized Accounts Receivable as no longer applicable to the insurance programs | Subchapters 34.02 and 34.03 |
| Explains that the Insurance Center Program Management Division oversees the management and operation of the contract with the US Treasury Department for their lockbox service provider; | Subchapter 34.03 |
| Explains that three of the Collections Sections’ duties are to write and maintain a Statement of Operating Procedures for the Fiscal Service lockbox provider, to process Online Bill payments, and to monitor electronic imaging requirements | Subchapter 34.03 |
| Adds Note that explains how to obtain cost per remittance calculations | Subchapter 34.04 |
| Explains that Treasury’s Fiscal Service lockbox provider is responsible for providing reports that include electronic check processing | Subchapter 34.04 |
| Clarifies that Part 5, Chapter 600 of the US Treasury Manual establishes procedures prescribed for federal agencies involved with lockbox paper check or remittance processing of federal agency receipts | Subchapter 34.04 |
| Adds online bill payments as one of the direct remittance type of payments processed | Subchapter 34.05 |
| Explains the responsibility of the uniformed services in deducting SGLI premiums from members’ pay and the process by which they transfer premiums and extra hazards to VA | Subchapter 34.26 |
| Explains how the Insurance Program Management Division oversees the disbursement of payments through the electronic system IPAC to the primary insurer | Subchapter 34.26 |
| Explains the process of how SGLI premium payment accounting is handled by the Insurance Center | Subchapter 34.27 |
| Explains VA’s role in collecting Veterans’ Group Life Insurance premiums for insureds who pay premiums by deduction from VA benefits | Subchapter 34.28 |
| Explains the process of how VGLI premium payment accounting is handled by the Insurance Center and VBA’s Finance Center | Subchapter 34.29 |

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| **Reason(s) for Change** | **Citation** |
| Explains the process involved with VA, Treasury’s lockbox service provider, and its Electronic Check Processing (ECP) system to ensure that any insureds’ payments are accurately recorded and billed to the correct account | Subchapter 34.02 |
| Explains how VA Insurance processes payments Veterans make at either a VA Medical Center or VA Regional Office | Subchapter 34.02 |
| Explains how VA Insurance processes payments retired Servicemembers choose to have deducted from their retirement pay as an allotment | Subchapter 34.02 |
| Explains how VA Insurance processes payments from Veterans that have their NSLI or VMLI premiums paid via deduction from their VA Compensation benefits | Subchapter 34.02 |
| Explains how VA Insurance processes payments for premiums paid via electronic fund transfer (EFT) from their bank account | Subchapter 34.02 |
| Explains how VA Insurance processes payments through a Veteran’s their financial institution’s “Online Bill Pay” service | Subchapter 34.02 |
| Explains the process for the lockbox service provider and Finance Staff to report and reconcile payments to the insurance funds | Subchapter 34.05 |
| Explains the process used by an agent cashier at a VAMC or RO in receiving direct payments for an insurance account | Subchapter 34.05 |
| Explains the process by which the Insurance Center accountant handles payments received via allotment or deduction from VA benefits | Subchapter 34.05 |
| Explains the process by which Insurance staff process loan repayments and electronic fund transfer (EFT) collections | Subchapter 34.05 |
| Explains which staff are permitted access to Collections activity and that the Statement of Work for Treasury’s Fiscal Service lockbox provider includes provisions to insure the security of data in collections activities | Subchapter 34.06 |
| Eliminates language regarding storage of flammable materials, disposal of remittance envelopes, and evacuations as more appropriately part of other contingency operations plans | Subchapter 34.06 |
| Explains the types of language and abbreviations that are acceptable for processing in the made payable line of the remittance; explains how a check that is not endorsed by the insured may be properly processed via a special endorsement procedure | Subchapter 34.07 |
| Eliminates reasons the Federal Reserve Bank will automatically re-present uncollectible checks as no longer applicable to the insurance programs | Subchapter 34.09 |
| Clarifies the VA Insurance PO Boxes to which remittances are normally mailed to and explains that open mail includes any mail sent to the VA Insurance PO Boxes | Subchapter 34.10 |
| Clarifies that Treasury’s Fiscal Service lockbox provider is responsible for providing VA with a daily batch listing report and explains that any remittances received at any of the Philadelphia, PA PO Boxes will be forwarded to the lockbox provider PO Box in Atlanta, GA for processing | Subchapter 34.10 |
| Eliminates language related to Closed Mail processing in Philadelphia, including timeliness sampling, as Closed Mail is no longer processed in Philadelphia but rather by Treasury’s Fiscal Service lockbox provider | Subchapter 34.10 |
| Explains that the Statement of Work for the Fiscal Service lockbox provider provides detailed processes for handling the daily deposits of domestic payments and eliminates language regarding the Insurance Center doing so | Subchapter 34.11 |
| Clarifies what type of remittances are non-negotiable under the Statement of Work for Treasury’s Fiscal Service lockbox provider and explains the process of how such remittances will be handled by the Insurance Center Policyholder Services Division | Subchapter 34.12 |
| Explains the process of how the Collections Section handles uncollectible remittances that are forwarded from the Fiscal Service lockbox provider | Subchapter 34.13 |
| Clarifies that money orders will be sent to Treasury’s Fiscal Service lockbox provider’s PO Box in Atlanta, GA; removes ledger entries for field stations being made in station sequence order as unnecessary | Subchapter 34.14 |
| Clarifies that remittances ready for processing can derive from a variety of sources, including Treasury’s Fiscal Service lockbox provider and VA organizations; clarifies that the Imaging Unit enters cash transactions in its Registry Log; clarifies that remittances from other VA stations are processed by the Agent Cashier, while eliminating language regarding paper-based remittance processing that are no longer applicable | Subchapter 34.15 |
| Clarifies that Statement of Work for Treasury’s Fiscal Service lockbox provider provides guidance on how to handle unassociated and cash remittances and eliminates language regarding the Insurance Center doing so | Subchapter 34.16 |
| Clarifies that the Statement of Work for Treasury’s Fiscal Service lockbox provider provides guidance on how to handle foreign remittances and eliminates language regarding the Insurance Center doing so | Subchapter 34.17 |
| Clarifies that Treasury’s Fiscal Service lockbox provider will process checks drawn on a foreign bank but payable in US dollars and eliminates language regarding the Insurance Center doing so | Subchapter 34.18 |
| Clarifies that the Fiscal Service lockbox provider will not process checks drawn on a foreign bank and payable in a foreign currency and eliminates language regarding the Insurance Center doing so; these types of remittances are handled based on guidance from the Statement of Work | Subchapter 34.19 |
| Clarifies that the Fiscal Service lockbox provider will not process foreign currency and eliminates language regarding the Insurance Center doing so; explains these types of remittances are handled based on guidance from the Statement of Work | Subchapter 34.20 |
| Clarifies transmittal of remittances collected in the Manila Regional Office | Subchapter 34.21 |
| Revises the process for processing remittances from the Manila Regional Office | Subchapter 34.22 |
| Explains that acknowledgement and verification of a foreign shipment of remittances from the Manila Regional Office is handled in the same way as a domestic shipment and details those steps in processing it | Subchapter 34.23 |
| Explains that the monthly allotment payments from the service departments are forwarded electronically to VA from the Defense Finance and Accounting Service and via encrypted CD from the Coast Guard | Subchapter 34.24 |
| Explains that the primary insurer responsible for administering the Servicemembers’ Group Life Insurance (SGLI) program reimburses VA for administrative costs based on estimated workload costs associated with research and supervision activity | Subchapter 34.25 |
| Clarifies that the Insurance Program Management Division is responsible for the deposit and control of receipts and payments due to the primary insurer | Subchapter 34.25 |

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| Rescissions | None |

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| Authority | By Direction of the Under Secretary for Benefits |

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| Signature | Vincent E. Markey, Director  Insurance Service |

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