

APPENDIX H. COMPROMISE, SUSPEND, OR TERMINATE DEBT COLLECTION ACTIVITY

- H.1 Compromise of Debt. With consideration to the following, the National Aeronautics and Space Administration's (NASA) officials may consider compromise payment by suffering the debtor not to pay the entire amount, by waiving payment, or by discontinuing or terminating collection activities.
- H.1.1 Compromise may be considered if NASA cannot collect the full amount because of:
- A. The debtor's inability to pay within a reasonable time.
 - B. The refusal of the debtor to pay the claim in full.
 - C. The Government's inability to enforce collection in full within a reasonable time.
- H.1.2 Personal Interviews. In the event of compromise, collection agents shall undertake personal interviews with its debtors whenever feasible, having regard for the amounts involved and the proximity of agency representatives to such debtors to effect compromise.
- H.1.3 Amount of Debt. NASA may compromise debt of \$100,000 or less (14 CFR 1261.414.a). Collection agents shall recommend approval of compromises to the Center Director or the official designated by the Center Director in accordance with 14 CFR 1261.402-403. When the claim (exclusive of interest, penalties, and administrative costs) exceeds \$100,000, NASA must get DOJ's approval prior to accepting the compromise. The debt shall not be subdivided to stay within the \$100,000 limit. Request and approval of compromise shall be tracked in NASA's Integrated Financial Management System.
- H.1.4 Other factors to consider are the precedent collecting or failure to collect would have on other cases, and the cost of collection.
- H.2 The Authority to Compromise, Suspend, or Terminate Collections of Debt Less than \$100,000.
- H.2.1 Following consultation with NASA legal counsel for the particular installation, the compromise, termination, or suspension of debts up to \$100,000 exclusive of interest and related charges may be approved as follows:
- A. For field installations, the Director of the Installation or a designee who reports directly to the Installation Director.
 - B. For Headquarters, the Associate Administrator for Management or a designee who reports directly to the Associate Administrator for Management.

- C. Copies of designations, if any, issued pursuant to this authority must be sent to the Director, Financial Management Division, NASA Headquarters.

H.2.2 The authority identified in the preceding paragraph is qualified as follows:

- A. With respect to claims against contractors or grantees arising in connection with contracts or grants, the approving official must consult with the contracting officer and the financial management officer of the installation concerned prior to issuing a determination.
- B. With respect to claims against commercial carriers for loss of or damage to NASA freight shipment, the approving official must consult with the cognizant transportation officer or the official who determined the amount of the claim, as appropriate, and the financial management officer of the installation concerned prior to issuing a determination.
- C. With respect to claims against employees of NASA, incident to their employment other than the repayment of overpayments of erroneous payments of pay and allowances, travel, transportation, and related expenses, the approving official must consult with the personnel officer and the financial management officer of the installation concerned prior to issuing a determination.