

CHAPTER 14.VETERAN-STUDENT WORK-STUDY AGREEMENT AND PAYMENT PROCEDURES

14.01 GENERAL

Public Laws 92-540 and 93-508 establish the criteria for authorizing an additional educational assistance allowance (hereafter referred to as work-study allowance) to eligible veteran-students who are pursuing a full-time program of education or training under chapters 31 and 34 of title 38 United States Code. Under these provisions veteran-students must enter into an agreement to perform services (VA facilities or educational institutions) not to exceed the maximum limitation of 250 hours per enrollment period or 750 hours per 12-month period. The procedures identified in this chapter are applicable to the processing of Veteran-Student Work-Study Agreements and contain implementing instructions for payment of a "work-study allowance" to eligible veteran-students under the VA Work-Study program.

14.02 VA FORM 20-8692, VETERAN-STUDENT WORK-STUDY AGREEMENT

Upon receipt of the prepared VA Form 20-8692 and a letter of notification, the following action will be taken before the documents are released to the veteran:

a. A seven-digit control number will be assigned to the agreement. The control number, e.g , 43-00005, will consist of the following:

First two digits - regional office number.

Third digit - fiscal year.

Next four digits - serial sequence numbers beginning with 0001 each fiscal year.

b. **VA Form 4-8693, Veteran-Student Services Control Register.** The control register is the station official record of workstudy allocation. The first entry in this control register at the beginning of each fiscal year will be the total hours allocated and the estimated dollar cost. Appropriate entries will also be made for any increase or decrease allocated throughout the fiscal year. Each individual agreement will be controlled and sequentially posted to the control register.

c. The appropriate data from VA Form 20-8691, Veterans Application for Work-Study Allowance, and VA Form 20-8692 will be posted to the control register. The total number of hours and dollar amount of the agreement will be posted as a commitment to the control register so that the uncommitted balance reflects a current status of the station's allocation (see fig. 14.01).

d. The original and 3 copies of the proposed agreement and the notification of selection letter will be released to the veteran.

e. If the original copy of the agreement has not been processed for the initial payment within 20 days from the date of posting the commitment, the work-study coordinator will be contacted for authorization to cancel to commitment. The Finance and Personnel Officers will be notified of the cancellation and an appropriate entry will be made in the control register.

14.03 VA FORM 4-5230, WORK-STUDY PAYMENT CARD

This is an individual record for each veteran to reflect the appropriate commitment and payment data for each work-study agreement that the veteran may enter into. This card will be prepared when the initial payment is made to the veteran, and appropriate entries will be recorded with the payment of each additional payment. The file should be maintained in two sections, active and inactive (see fig. 14.02).

14.04 PAYMENT OF WORK-STUDY ALLOWANCE

Regional offices will authorize the payment of work-study allowance utilizing transaction code 06L transmitted to Hines DPC.

a. **Initial or Advance Payment.** Upon receipt of the original copy of the completed agreement signed by both the veteran and the Director's designee, an 06L transaction will be prepared in duplicate using a VA Form 4-8268, Fiscal Payment and Adjustment Code Sheet.

(1) Items on the Form 4-8268 will be completed as shown in figure 14.03. The amount will not exceed 100 times the current minimum hourly wage as determined by law. A determination will be made as to the use of cost code 31 or 32.

(2) The original VA Form 4-8268 will be forwarded to the telecommunications unit for transmission to Hines DPC. The original VA Form 4-8268 and a copy of the teletype message will be forwarded to the Input activity. These will be maintained in the holding file and used as a resubmission document if the 06L transaction rejects. After the transaction processes the original VA Form 4-8268 will be forwarded for filing in the claims file.

(3) The original of the agreement will be retained for record support purposes. The data, number of hours, and the amount of payment will be recorded on the payment card "Payments" section.

b. **Rejection of 06L Transactions.** The 06L transaction will be edited in the same general manner as an 06G, Special Payment Transaction. Transactions that fail to pass any of the edits will be returned by teletype reject message in the same format as they are received by the Hines DPC.

c. **Regular Payment.** Upon receipt of VA Form 4-8690, Work-Study Time Record (Veteran-Student Services), or a photocopy of it, a review will be made to determine the

number of hours completed against the total hours stated in the agreement (see fig. 14.04). Under an agreement of 250 hours, photocopies would be received at the completion of 150 and 200 hours, and the original VA Form 4-8690 would be received at the completion of 250 hours. If additional payment is due for work performed over 100 hours (prepaid by advance payment), an 06L transaction will be prepared for amount due as outlined in subparagraph a above. The appropriate payment data will be recorded on the payment card in "Payments" section.

d. Payment Identification. Payments will be included on daily special payment tapes from Hines DPC to Kansas City [TRFC.] These payments will be reflected as "WK /Study Allow" under the column headed "Period" on the education cycle pay listing.

e. Completion of Work-Study Agreement. Upon receipt of the original VA Form 4-8690, determination will be made whether the completion was normal completion of the total agreement or unscheduled termination less than the total agreement.

(1) **Normal Completion.** A regular payment will be prepared for the number of hours worked since last payment. The date of receipt of the original VA Form 4-8690 will be recorded in the "Completed" column of the payment card, and in the "Agreement Satisfied Date" column of the control register. Additionally, the total hours worked and the total amount paid for the complete agreement will be recorded in the "Total Paid" column of the payment card.

(2) **Performance Review.** Sixty days after issuance of advance payment, a review will be made to insure that the veteran has worked or is in the process of working the number of hours for which advance payment was made. If there is no evidence of performance, a request will be made to the appropriate division having supervisory responsibility over the student; e.g., Veterans Services Division, to verify employment and the anticipated completion date of the hours paid for in advance. When appropriate, terminating action will be taken and an account receivable will be established to recover the overpayment.

(3) **Unscheduled Termination.** When it has been determined that the veteran failed to perform the number of hours he or she had agreed to, an appropriate entry will be made in the control register to record an adjustment by credit entry for the unworked committed hours that were not paid for by advance payment (over the initial 100 hours). A regular payment will be prepared for the number of hours worked since last payment. The date of receipt of the VA Form 4-8690, the regular payment made, if any, and the total paid on, the agreement will be appropriately recorded on the payment card and the control register. Additionally, when it is determined that the veteran failed to perform the number of hours for which he or she received advance payment, an accounts receivable under the Deduction Code 41B will be established against the veteran and the usual collection procedures will be instituted (see ch. 5). The regional office will prepare and dispatch the initial collection letter for those overpayments established on terminated master records which become the responsibility of Centralized Accounts Receivable Section, VA Regional Office and Insurance Center, St. Paul, for further maintenance. This letter will notify the veteran to send remittance, with proper identification, to the Agent Cashier,

VA Regional Office and Insurance Center, Bishop Henry Whipple Federal Building, P.O. Box 1930, St. Paul, MN 55111. Field stations will continue to report these work-study allowance overpayments on the Quarterly Report of Indebtedness, RCS 04-0455, on the cause code 20 line.