

SUPPORTING STATEMENT - PART A

Response to Marine Corps NAF Debt Collection Notice

OMB Control Number 0712-0008

Summary of Changes from Previously Approved Collection

- We are estimating a decrease in response time from 15 minutes to 10 minutes to reflect an increase in telephone responses, which is less burdensome than submitting responses via U.S. Postal Service.
- A DoD-wide System of Records Notice (SORN) has been established, replacing the use of multiple Component SORNs, SORN DoD-0022, Defense Debt Management Records.

1. Need for the Information Collection

The NAVMC Form 11787, "Response to Marine Corps NAF Debt Collection Notice," is necessary to maintain a tracking and accounting system for authorized vendors and patrons indebted to Marine Corps Nonappropriated Fund Instrumentality (NAFI) businesses and services for the purpose of repayment management or to transfer the debt collection to the Marine Corps Total Force System Treasury Offset Program and/or Cross Servicing ARTIVA, dependent on the response option elected by the respondent to recover the debt.

Authorities to collect the information:

10 U.S.C. 8013, Secretary of the Navy is responsible for the functioning and efficiency of the Department of the Navy and the formulation of policies and programs that are fully consistent with the national security objectives and policies established by the President or the Secretary of Defense.

10 U.S.C. 8041, Headquarters, Marine Corps is to assist the Secretary of the Navy in carrying out his responsibilities.

Federal Claims Collection Act of 1966 (Pub. L. 89-508, as amended) defines and applies "administrative offset" as 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.

Debt Collection Act of 1982 (Pub. L. 97-365) as amended by the Debt Collection Improvement Act of 1996 (Pub.L. 104-134, Section 31001) provides to maximize collections of delinquent debts owed to the Government by ensuring quick action to enforce recovery of debts and the use of all appropriate collection tools.

31 C.F.R. § 285.11, Administrative wage garnishment, provides procedures for Federal agencies to collect money from a debtor's disposable pay by means of administrative wage garnishment to satisfy delinquent nontax debt owed to the United States.

DoD 7000.14-R, Department of Defense Financial Management Regulations Volume 16: "Department of Defense Debt Management," provides policy and requirements for administrative

actions associated with the collection and disposition of debts that are owed to the DoD by any person, organization, or entity except another federal agency.

Marine Corps Order (MCO) P1700.27B W CH1, Marine Corps Community Services Policy Manual, provides that DC, M&RA will maintain consolidated debt collection programs.

MCO 7010.19 W CH1, Marine Corps Community Services Financial Management Procedures, provides authorization for substantiating debts by contacting the alleged debtor directly via a collection letter.

2. Use of the Information

Respondents to the NAVMC 11787, "Response to Marine Corps NAF Debt Collection Notice," include individuals, patrons, and vendors who owe a debt or alleged debt to a Marine Corps NAFI business or service or whose medium of payment is declined or returned unpaid. The response is submitted in paper format and provides the alleged debtor an opportunity to elect to repay the debt in full, agree to a repayment plan, dispute the debt, or identify that bankruptcy has been filed. In addition, the respondent validates their current contact information. Respondents receive the NAVMC 11787 by mail, along with an advisement of rights and obligations and indebtedness letter by mail. Sample copies of the advisement of rights and obligations and indebtedness letter are included as supporting documents in this package. The respondents initial next to the option they elect on the NAVMC 11787 response and fill in their current address, applicable repayment amount, and/or reason for disputing the debt. Finally, respondents will sign and date the form.

Responses with certified checks or money orders are submitted via mail to Business and Support Services Division (MR), ATTN: MCCS Collections, P.O. Box 277160, Atlanta, GA 30384-7160. For credit card or debit card payments, respondents contact the MCCS Global Business Services customer service number at 1-816-705-4400 or 571-456-6633. Nonpayment responses (including disputing the debt) and supporting documentation may be submitted via mail to Marine Corps Community Services (MCCS) Global Business Services, ATTN: Collections, 2306 E. Bannister Rd, Kansas City, MO 64131. In addition, respondents are provided with a phone number, 1-816-705-4400, to address questions concerning this response notice. Response instructions are outlined on both the NAVMC 11787 and the accompanying indebtedness letter.

Dependent on the response option elected by the respondent, authorized Marine Corps NAF personnel with a need-to-know input the repayment information in NAF Financial Management System Software as a Service (NAF FMS SaaS) for debt management or transfer the debt collection to the applicable activity. If a response to NAVMC 11787 is not received within 71 days of the response notice submission, the respondent's debt is then forwarded to the U.S. Department of the Treasury for collection pursuant to the Treasury Offset Program, as authorized by the Debt Collection Improvement Act of 1996 (Pub. L. 104-134). The intended effect is managing the collection of debts in a manner that is effective and efficient, supporting financial accountability and compliance with current laws and regulations.

3. Use of Information Technology

Currently, 0% of the responses are collected electronically. About 90% of the respondents are responding via telephone and about 10% are responding via U.S. Postal Service. The NAVMC 11787 debt collection notice response request is sent with the indebtedness letter and advisement of rights and obligations letters via the U.S. Postal Service. Sending via the U.S. Postal Service adds an

additional control to support the recipient receiving the notice, preventing potential oversight for respondents who don't have a valid email address or phone number on file.

4. Non-duplication

The information obtained through this collection is unique and is not already available for use or adaptation from another cleared source.

5. Burden on Small Businesses

This information collection does not impose a significant economic impact on a substantial number of small businesses or entities.

6. Less Frequent Collection

The frequency of responses is "on occasion" initiated by the event of an uncollected alleged debt being submitted to MR by a Marine Corps NAFI. This information collection is a one-time response request. If MR were not afforded an opportunity to request this one-time response from the respondent, Marine Corps NAFI debt collections would automatically be transferred to the Treasury Offset Program. In addition, if the respondent was not afforded an opportunity to respond to MR's information collection, the respondent could have the debt collection showing on his or her credit report for up to seven years, along with a possible negative impact to his or her credit score.

7. Paperwork Reduction Act Guidelines

This collection of information does not require collection to be conducted in a manner inconsistent with the guidelines delineated in 5 CFR 1320.5(d)(2).

8. Consultation and Public Comments

Part A: PUBLIC NOTICE

A 60-Day Federal Register Notice (FRN) for the collection published on Wednesday, September 10, 2025. The 60-Day FRN citation is 90 FR 43590.

No comments were received during the 60-Day Comment Period.

A 30-Day Federal Register Notice for the collection published on Monday, December 29, 2025. The 30-Day FRN citation is 90 FR 60691.

Part B: CONSULTATION

No additional consultation apart from soliciting public comments through the 60-Day Federal Register Notice was conducted for this submission.

9. Gifts or Payment

No payments or gifts are being offered to respondents as an incentive to participate in the collection.

10. Confidentiality

A Privacy Act Statement (PAS) is provided at the top of NAVMC 11787. Respondents who call the hotline to request information regarding the Debt Collection Notice are provided the information verbally before any personal information is collected. A copy of the PAS is provided to the respondent, upon request.

The associated System of Records Notice (SORN), DoD-0022 (Defense Debt Management Records) is published and available at <https://www.federalregister.gov/documents/2024/06/14/2024-13119/privacy-act-of-1974-system-of-records>.

A copy of Section 1 of the approved Privacy Impact Assessment for NAF FMS SaaS (approved April 7, 2025) has been provided with this package for review.

Retention and Disposition Schedule for NAVMC 11787: DON Records Schedule 7000-45, "Financial Transaction Records Related to Procuring Goods and Services, Paying Bills, Collecting Debts, and Accounting," GRS 1.1 Item 010, and AA-GRS-2013-0003-0001. TEMPORARY: Destroy 6 years after final payment or cancellation, but longer retention is authorized if required for business use.

11. Sensitive Questions

MR inquires if individuals have filed for bankruptcy and listed the Marine Corps Exchange, Marine Corps Community Services, or an applicable Marine Corps NAFI as a creditor from which they are seeking bankruptcy relief. This information must be collected because an automatic stay prevents further collection efforts from this office during bankruptcy proceedings.

12. Respondent Burden and its Labor Costs

Part A: ESTIMATION OF RESPONDENT BURDEN

1) NAVMC Form 11787

- a. Number of Respondents: 1,975
- b. Number of Responses per Respondent: 1
- c. Number of Total Annual Responses: 1,975
- d. Response Time: 10 minutes
- e. Respondent Burden Hours: 329 hours

2) Total Submission Burden

- a. Total Number of Respondents: 1,975
- b. Total Number of Annual Responses: 1,975
- c. Total Respondent Burden Hours: 329 hours

Part B: LABOR COST OF RESPONDENT BURDEN

1) NAVMC Form 11787

- a. Number of Total Annual Responses: 1,975
- b. Response Time: 10 minutes

- c. Respondent Hourly Wage: \$24.10
- d. Labor Burden per Response: \$4.02
- e. Total Labor Burden: \$7,932.92

2) Overall Labor Burden

- a. Total Number of Annual Responses: 1,975
- b. Total Labor Burden: \$7,933

Hourly wage was based on Department of Labor, Bureau of Labor Statistics for “sales and office occupations” last modified January 29, 2025 at <https://www.bls.gov/cps/cpsaat39.htm>.

13. Respondent Costs Other Than Burden Hour Costs

It is estimated 10% of responses are submitted via the U.S. Postal Service. The cost of a First-Class U.S. Postage Stamp is \$0.78. The cost of one standard business envelope is estimated to be around \$0.10. The total estimated cost to the respondent for the one-time response is \$0.88, and \$174 annually.

14. Cost to the Federal Government

Part A: LABOR COST TO THE FEDERAL GOVERNMENT

1) Response to Debt Collection Notice

- a. Number of Total Annual Responses: 1,975
- b. Processing Time per Response: 10 minutes
- c. Hourly Wage of Worker(s) Processing Responses: \$25.01
- d. Cost to Process Each Response: \$4.17
- e. Total Cost to Process Responses: \$8,232.46

2) Overall Labor Burden to Federal Government

- a. Total Number of Annual Responses: 1,975
- b. Total Labor Burden: \$8,233

Labor costs for NF Level 4 employees are \$25.01 per hour, based on the average of pay between East Coast and West Coast. Pay schedules referenced can be accessed at: <https://wageandsalary.dcpas.osd.mil/BWN/NAFWAGESchedules>.

Part B: OPERATIONAL AND MAINTENANCE COSTS

Estimated annual costs are paid by nonappropriated funds.

1) Cost Categories for NAF FMS SaaS

- a. Equipment: RedHat Licenses and VMware hardware are part of a pool and MR would have that host pool even if NAF FMS SaaS didn't exist.
- b. Printing: \$5,431
- c. Postage: \$1,541
- d. Database Software Maintenance: NAF FMS SaaS costs are not changed by inclusion of debt collection notice information.
- e. Oracle Cloud Software, Maintenance, and Licensing Costs: \$215,145 (estimated at 5% of total cost of multi-use NAF FMS SaaS system)

f. Other: Envelopes: \$188

2) Total Operational and Maintenance Cost: \$222,305

Part C: TOTAL COST TO THE FEDERAL GOVERNMENT

1) Total Operational and Maintenance Costs: \$222,305

2) Total Labor Cost to the Federal Government: \$8,233

3) Total Cost to the Federal Government: \$230,538

15. Reasons for Change in Burden

The average response time has decreased because most respondents are choosing to respond via telephone, eliminating the estimated time associated with submitting the response via the U.S. Postal Service. Additionally, labor costs have increased slightly since the previous approval because of a general increase in wages for both respondents and Federal workers processing responses.

16. Publication of Results

The results of this information collection will not be published.

17. Non-Display of OMB Expiration Date

We are not seeking approval to omit the display of the expiration date of the OMB approval on the collection instrument.

18. Exceptions to "Certification for Paperwork Reduction Submissions"

We are not requesting any exemptions to the provisions stated in 5 CFR 1320.9.