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CHAPTER 8
AUTHORIZING AND PROCESSING SUBSISTENCE ALLOWANCE

8.01 Introduction

This chapter provides the administrative procedures and guidelines for authorizing and processing subsistence allowance for Veterans participating in the Department of Veterans Affairs (VA) Vocational Rehabilitation and Employment (VR&E) Program.

8.02 References and Resources

Laws: 38 United State Code (U.S.C.) 3680
 38 U.S.C. 5112
 38 U.S.C. 5307
 Public Law 100-689
 Public Law 111-377

Regulations: 31 Code of Federal Regulations (CFR) 208
 38 CFR 3.400
 38 CFR 3.450
 38 CFR 3.451
 38 CFR 3.458
 38 CFR 21.260
 38 CFR 21.266
 38 CFR 21.282
 38 CFR 21.320
 38 CFR 21.330
 38 CFR 21.7135

Resources: M21-1MR, Adjudication Procedures Manual Rewrite
 Disbursements and Collections Requirement, Volume VIII -
 Chapter 2

VA Forms (VAF): VAF 21-674, Request for Approval of School Attendance
 VAF 21-686c, Declaration of Status of Dependents
 VAF 21-0788, Information Regarding Apportionment of
 Beneficiary's Award
 VAF 22-8945, Education Award
 VAF 28-1905, Authorization and Certification of Entrance or
 Reentrance into Rehabilitation and Certification of Status
 VAF 28-1905d, Special Report of Training
 VAF 4107, Your Rights to Appeal our Decision
 VAF 5655, Financial Status Report

Websites: <http://www.defensetravel.dod.mil/site/bahCalc.cfm>
<http://www.defensetravel.dod.mil/site/ohaCalc.cfm>
http://vbahinesweb.vba.va.gov/web/bdn_sched_of_op.htm
<http://www.fms.treas.gov/eta/index.html>
<http://www.fms.treas.gov/directexpresscard/index.html>
<http://vbaw.vba.va.gov/bl/20/cfo/FIN/Fin241C/ProcGuidesROindex.htm>

8.03 General Information

In accordance with 38 CFR 21.320, subsistence allowance may be authorized when a Veteran has completed the development of a rehabilitation plan and the requirements for entrance or reentrance into a rehabilitation program have been met. A Veteran's case must be assigned to one of the following case statuses to be eligible for a subsistence allowance:

- Rehabilitation to the Point of Employability
- Extended Evaluation
- Independent Living

8.04 Exceptions to Paying Subsistence Allowance

In accordance with 38 CFR 21.260 (d), a Veteran may not receive a subsistence allowance when VA is providing the Veteran with only the following services:

- Initial evaluation
- Placement and post-placement services
- Counseling

a. Concurrent Education Benefits

In accordance with 38 CFR 21.4022, a Veteran or eligible person who is eligible for education or training benefits under more than one of the provisions of law cannot receive such benefits concurrently. The individual must elect which benefit he/she will receive for the particular period or periods during which education or training is to be pursued. A Veteran eligible under both Chapter 31 and Chapter 33 may transfer to Chapter 33 benefits at any time but not more than once in a certified term, quarter, or semester. A Veteran may subsequently re-apply for Chapter 31 benefits at any time, but not more than once in a calendar month.

Before processing a payment of subsistence allowance in the Benefits Delivery Network (BDN), VR&E staff should check all other VA education benefits (e.g., CH 30, 32, 33, 34, 1606, 1607, Veterans Retraining Assistance Program [VRAP]) to ensure that the Veteran is not receiving benefits under another education program since a Veteran cannot receive benefits from more than one program at a time. (Refer to section 8.07.a for guidelines on how to check for concurrent education benefits.)

b. Active Duty Servicemembers

Before processing a payment of subsistence allowance, it is important to note the Date of Release from Active Duty (RAD is found in Corporate WINRS [CWINRS]) since active duty Servicemembers are not eligible to receive subsistence allowance. Because they do not receive subsistence allowance, entitlement must be manually charged against active duty Servicemembers for time spent in training (i.e., full-time, three-quarter-time, half-time, or less than half-time depending on enrollment) by following the guidance in section 8.15 of this chapter. Veterans participating in the VR&E Program may receive subsistence allowance during drill weekends but not during the two-week active duty training period (National Guard and Reserve) since the Veteran also receives extra pay for meals and housing allowance during the two-week training.

8.05 Authorization

VAF 28-1905 (See Appendix O, VA Forms) must be used as authorization to facilities for services provided to Veterans participating in the VR&E Program. It also notifies the facility of the approved program of study for the Veteran. This form must not be sent unless the training program has been approved and the facility has been assigned a valid facility code. VR&E staff must follow guidance outlined in M28R.V.A.3 when using VAF 28-1905 as authorization to facilities for services.

8.06 Procedures

a. Required Documentation

Certification from the school certifying official is the source documentation required to prepare subsistence allowance. VR&E staff must have a certification from an approved facility or service provider that includes fixed dates of enrollment and rate of pursuit identified by semester, quarter, or clock hour before processing a payment of subsistence allowance in BDN. After receiving VAF 28-1905 for authorization, most facilities use VA Online Certification of Enrollment (VA-ONCE) to certify the Veteran's enrollment.

The use of information transmitted through VA-ONCE is mandatory. VA-ONCE allows training facilities to electronically certify attendance including number and type of hours, beginning and ending dates, and changes in enrollment. CWINRS has interfaced with VA-ONCE since 2007 and VR&E has been using VA-ONCE information for several years. CWINRS receives VA-ONCE information one day after the certifying information is sent by the training facility. It is mandatory to use the VA-ONCE information in CWINRS for processing Chapter 31 subsistence allowance awards. Complete instructions on how to use VA-ONCE is found in Chapter 9.4 of the CWINRS Users Guide.

Electronic certifications of enrollment or changes in enrollment submitted through VA-Once do not need to be printed for the Counseling/Evaluation/Rehabilitation (CER) folder. However, certifications received in hard copy form must be filed in the left side of the Veteran's CER folder. VR&E staff should encourage training facilities to submit certifications through VA-ONCE. VAF 28-1905 may only be used as certification of enrollment when a training facility elects not to use VA-ONCE to certify enrollment of a Veteran participating in the VR&E Program. Documentation from training facilities electing not to use VA-ONCE must be maintained by the VR&E Officer.

b. Rate of Payment

1. Chapter 31

VR&E staff must ensure that the rate of payment for subsistence allowance is accurate. Subsistence allowance is based on rate of attendance (full-time, three-quarter-time, or part-time), the number of dependents, and the type of training the Veteran is pursuing, such as Institution of Higher Learning (IHL), Farm Cooperative, Apprenticeship, Non-paid Work Experience (NPWE), or for Veterans under special programs such as On-job training (OJT) at no or nominal pay in a Federal agency, training in the Home Program, Independent Instructor Program, or Cooperative Program.

To determine the rate of attendance see Appendix AM, Training Time Equivalency Table- Semester and Appendix AN, Training Time Equivalency Table- Quarters. Refer to Appendix AO, Chapter 31 Subsistence Allowance Rates for more guidance on determining rate of payment.

Per 38 CFR 21.260, subsistence allowance is not payable when pursuing a plan at less than half-time unless a determination of reduced work tolerance has been made. Refer to M28R.IV.C.2 for further guidance on reduced work tolerance.

2. Post-9/11 Subsistence Allowance (P911SA)
 - (a) Basic Housing Allowance (BAH)

In accordance with Public Law 111-377, Section 205, Veterans who are entitled to both a Chapter 31 subsistence allowance and Chapter 33 Post-9/11 GI Bill educational assistance may elect to receive a payment in an alternate amount in lieu of the Chapter 31 subsistence allowance. The alternate payment is based on the Basic Allowance for Housing (BAH) that the military authorizes for a Servicemember at the rank of E-5 with dependents. VR&E staff can determine the appropriate rate by using the BAH Calculator located at <http://www.defensetravel.dod.mil/site/bahCalc.cfm>. Select the appropriate year, enter the zip code of the facility, agency or employer, and select the E-5 pay grade, then press the Calculate button (refer to Appendix AW, Calculating Rate of Pay for P911SA).

The P911SA uses the BAH rate for the zip code of the facility that is in effect for the current calendar year, unless P911SA is being continued at the same facility from a previous year in which the BAH rate was higher. In this situation, Veterans who have been continuously receiving P911SA at the same facility with no more than a 6 month break in training must be grandfathered in at the higher rate of pay. (Refer to M28R.V.A.3 for more information on rate protection when the BAH is reduced by the Department of Defense.)

A Veteran training full-time solely in-home or on-line will receive a payment that is fifty percent of the basic allowance for housing national average. Training during a term that includes on-line courses and at least one credit at a brick and mortar facility is paid at the appropriate training time using the BAH amount associated with the zip code of the brick and mortar facility, not fifty percent of the BAH national average.

To determine the BAH amount for periods of training in which the Veteran is enrolled at more than one facility simultaneously, use the zip code of the parent facility. If the Veteran is not enrolled at the parent facility, then use the facility where the Veteran is enrolled in more credits. If the Veteran is enrolled in an equal amount of credits at each facility, use the facility that provides the highest BAH rate.

- (b) Overseas Housing Allowance (OHA)

In some instances, a Veteran may pursue training in a United States (US) Territory with an assigned zip code and elect payment at the

P911SA rate of pay. VR&E staff should verify that the training site is located at one of the following US Territories where OHA is payable:

- American Samoa
- Northern Mariana Islands
- Puerto Rico
- Virgin Islands
- Guam
- Philippines

VR&E staff can determine the appropriate rate by using the OHA Calculator located at <https://www.defensetravel.dod.mil/site/ohaCalc.cfm>. See Appendix AW, Calculating Rate of Pay for Post-911 Subsistence Allowance for further guidance. For training in foreign institutions where there is no associated zip code, the BAH national average is used.

Guidelines for electing P911SA are outlined in M28R.V.A.3. See section 8.10 of this chapter for guidance on processing P911SA.

c. Dependent Information

VR&E staff must ensure that the dependent(s) of the Veteran is/are appropriately added or removed by reviewing the dependency screen in BDN and CWINRS. Dependent information can be verified by accessing Share if a Veteran is rated at thirty percent or more and the information has already been provided to VA. To access Share, perform the following steps:

- Log in to Share
- Select Corporate Inquiries in the left column
- Enter the Veteran's Social Security Number (SSN)
- Select the Submit button
- Select the Person button
- Review Dependents Information on the All Relationships tab

If the information is not in Share (either because the Veteran is rated less than thirty percent or because VA never received this information), the

Veteran must complete and submit VAF 21-686c (see Appendix O, VA Forms) with sufficient evidence to support the claim, when necessary (e.g., birth certificate, marriage license, etc.). VAF 21-674 should be completed by the Veteran for each student dependent over the age of eighteen.

Further guidance on adding and removing dependent(s) information is outlined in M28R.V.A.3. Procedures for adding/removing dependent information in BDN are outlined in section 8.08.b of this chapter.

d. Withdrawals

38 U.S.C. 3680(a)(3) prohibits payment of VA benefits for a course in which a Veteran withdraws and receives a non-punitive grade that has no quality point value toward fulfilling a facility's graduation requirement and is not calculated into the Grade Point Average (GPA). If the facility assigned a non-punitive grade, VA may not pay subsistence allowance for the course. Facilities may assign punitive and non-punitive grades differently, therefore the case manager must check with the training facility to determine if the grade assigned is punitive or not before adjusting any payments. Many schools consider a WF as punitive and count towards the GPA, however that may not be the case for some schools.

The case manager must amend the subsistence allowance award to create an overpayment if VA has paid for a course assigned a non-punitive grade, unless one of the following exceptions applies:

- The student can establish that the failure to complete the course was due to mitigating circumstances.
- The student was ordered to active duty.
- The course withdrawal occurred during the drop period.

Refer to section 8.12 of this chapter for more information about overpayments.

1. Mitigating Circumstances

Mitigating circumstances are conditions beyond the Veteran's control, which prevent continuous pursuit of the rehabilitation program. When a Veteran reduces his/her training rate or withdraws completely from training, the case manager must provide maximum flexibility in helping the Veteran resolve difficulties without the burden of an overpayment or program interruption. The case manager's decision whether mitigating circumstances are acceptable or unacceptable determines the appropriate

action to be taken on the Veteran's subsistence allowance. This means that the case manager's decision establishes whether the reduction or termination of payment is retroactive from the beginning of the term or at the date of last attendance.

(a) Developing Evidence for Mitigating Circumstances

The case manager must send the Veteran a notification letter regarding reduction, termination, or overpayment of subsistence allowance. The letter must include statements explaining the following:

- The Veteran's right to present information to establish mitigating circumstances.
- The thirty-day period from the date of the letter to present the information.
- The consideration VA will give to a Veteran claiming mitigating circumstances.

(b) Acceptable Mitigating Circumstances

Acceptable mitigating circumstances may include, but are not limited to the following:

- Illness of the Veteran.
- Illness or death in the Veteran's family.
- Unavoidable change in the Veteran's employment.
- Unavoidable geographical change in the Veteran's employment.
- Immediate family or financial obligations beyond the Veteran's control.
- Discontinuance of a course or program by the educational institution.
- Difficulty with childcare issues beyond the Veteran's control.

Once received, the case manager must analyze the evidence provided by the Veteran and determine whether it is acceptable or unacceptable for establishing mitigating circumstances. The case manager must

clearly document the decision on VAF 28-1905d (See Appendix O, VA Forms) and file in the center portion of the Veteran's CER folder or in CWINRS notes.

(c) Deadline for Submission of Mitigating Circumstances

VA may reduce or terminate the Veteran's subsistence allowance award retroactively for failure to provide acceptable mitigating circumstances within thirty days. The Veteran still has up to one year from the date of VA's request for mitigating circumstances to submit evidence. Examples are as follows:

- If the Veteran submits acceptable evidence within the one-year timeframe, the case manager will modify the decision, and amend the subsistence allowance award to repay any money VA recouped as a result of the now reversed adverse decision.
- If the Veteran submits evidence beyond the one-year timeframe, the case manager may not consider the evidence submitted.

2. Six-Credit Hour Exclusion

A large overpayment will typically occur if a student withdraws from courses and does not establish mitigating circumstances. The student is required to repay all benefits received for these courses from the beginning of the term. However, Public Law 100-689 permits Veterans to have a one-time exclusion from the requirement to establish mitigating circumstances. The six-credit hour exclusion automatically establishes mitigating circumstances at the first instance that a Veteran reduces or withdraws from training for up to six-credit hours. A Veteran who withdraws from fewer than six-credit hours in the first instance will exhaust this benefit. After granting the six-credit hour exclusion, the case manager must ensure the front cover of the CER folder clearly states "6-Credit Hour Exclusion Applied" and the date that it was applied.

(a) When the Six-credit Hour Exclusion Does Apply

The six-credit hour exclusion applies to a course withdrawal only if each of the following requirements is met:

- (1) The withdrawal is the first instance of withdrawal from a course.
- (2) The Veteran has been awarded subsistence for the withdrawn course.

- (3) Mitigating circumstances would normally be an issue (e.g., the withdrawal was beyond the drop period and a non-punitive grade was assigned for the course).

If a Veteran withdraws from a three-semester hour course and several days later withdraws from an additional three-semester hour course; the exclusion applies only to the first course.

(b) When the Six-credit Hour Exclusion Does Not Apply

The six-credit exclusion does not apply in the following situations:

- (1) The Veteran withdraws from a course during the drop period.
- (2) The Veteran completes a course and receives a non-punitive grade.
- (3) The Veteran withdraws from a course and receives a punitive grade.

3. Reducing or Terminating an Award

The case manager must take the appropriate action for reducing or terminating an award as soon as the certification of change in enrollment or assignment of a non-punitive grade is received. Take one the following actions when a Veteran withdraws from a course(s) or receives a nonpunitive grade:

(a) Mitigating Circumstances Established

- (1) If the case manager receives evidence of mitigating circumstances with certification of withdrawal or assignment of a non-punitive grade in a timely manner, reduce the subsistence allowance award at the end of the month or end of the term, whichever is earlier, and inform the Veteran of the change (The no pay date would be the day after the last day of the month or end of the term).
- (2) If the reduction occurs prior to the beginning of the term, benefits must be reduced back to the first day of the term that the Veteran withdraws.
- (3) For complete withdrawal, the case manager must terminate the subsistence allowance effective the Veteran's last day of attendance (The no pay date is the day after the last day of attendance).

(b) Mitigating Circumstances Not Established

- (1) If the case manager does not receive adequate evidence of mitigating circumstances with certification of withdrawal and the Veteran has withdrawn from all courses, terminate the subsistence allowance award effective the date of withdrawal, establish a thirty-day control period and develop for mitigating circumstances (The no pay date would be the day after the last day of attendance).
- (2) If the case manager does not receive adequate evidence of mitigating circumstances with certification of withdrawal and the Veteran has withdrawn from fewer than all courses, reduce subsistence allowance effective the end of the month when the enrollment change occurred, establish a thirty-day control period, and develop for mitigating circumstances (The no pay date would be the day after the last day of the month).
- (3) If the Veteran has completed a course, or all courses with non-punitive grades, and the case manager has received the enrollment certification for the next term, terminate or reduce subsistence allowance the last day of the previous term, authorize subsistence allowance for the new term, establish a thirty-day control period, and develop for mitigating circumstances (The no pay date would be the day after the last day of the previous term).
- (4) If acceptable mitigating circumstances are not received in any of the above scenarios after the thirty-day period, retroactively reduce the award effective the first day of the term.

4. Informing the Veteran

The case manager must inform the Veteran and designated representative of all decisions. This notice must include the possible effects of the decisions on the subsistence allowance award. This will occur regardless of action on a claim of mitigating circumstances or if the Veteran does not submit mitigating circumstances.

The following adverse actions do not require prior notification:

- Award reduction, suspension, or termination
- Returned or undeliverable checks

If the basis of the adverse action is one of the reasons listed above, then

the case manager must take the adverse action immediately and send a written notice to the individual with a copy to the designated representative.

If the United States Postal Service returns a subsistence allowance check as undeliverable for two consecutive months, then the subsistence allowance award must be automatically suspended. In this situation, VR&E staff should follow the procedures on adverse actions that do not require prior notification as outlined in M28R.III.C.2.

e. Retroactive Induction

If a Veteran is found eligible, he/she may be entitled to retroactive induction in accordance with 38 CFR 21.282. VR&E staff must ensure that subsistence allowance is appropriately entered in BDN. Further guidance on retroactive induction is outlined in M28R.IV.C.2. Procedures for processing a retroactive award in BDN are found in section 8.09 of this chapter.

VR&E cannot process retroactive induction for a Veteran who transfers from Chapter 33 to Chapter 31. The earliest a transfer from Chapter 33 to Chapter 31 may be effective, when benefits have already been paid under Chapter 33, is the term following the Veteran's request to transfer to Chapter 31.

f. On-the-Job Training (OJT) and Apprenticeship

OJT and apprenticeship provide eligible Veterans with the opportunity to obtain training and practical job experience concurrently. Veterans who are entitled to training under the VR&E Program are eligible to participate in an OJT program or apprenticeship when determined appropriate by the case manager. A Veteran can be paid a monthly subsistence rate of the difference between the journeyman wage and the training wage, not including overtime, but not more than the Chapter 31 Subsistence Allowance rate allowed (refer to Appendix AO, Chapter 31 Subsistence Allowance Rate of Pay).

Subsistence allowance is paid to Veterans participating in the OJT program at the full-time rate only. A standard full-time workweek is 40 hours unless the employing agency defines full-time as less than 40 hours for all employees in the particular position approved for OJT. The monthly subsistence rate should be based on an average of the total hours completed.

Employers must complete and submit VAF 28-1905c (See Appendix O, VA Forms) each month to the case manager for review. This form documents attendance, progress and the change in wage status so that the subsistence award amounts can be adjusted as the Veteran gains proficiency and moves toward journeyman wages. The original form should be submitted to VA no

later than the 10th day after the end of each month. VR&E staff must ensure that subsistence allowance is appropriately entered in BDN.

Refer to M28R.V.A.3 for more guidance on subsistence allowance payments for Veterans participating in OJT or apprenticeship. The procedures for processing an OJT/apprenticeship award found in section 8.11 of this chapter should be followed when processing subsistence allowance for Veterans participating in OJT or apprenticeship. All OJT/apprenticeship awards require a second signature. This means that both the originator and the authorizer must sign the award.

g. Non-paid Work Experience (NPWE)

In accordance with 38 CFR 21.266(c), a Veteran participating in a NPWE must receive subsistence allowance at the institutional rate (refer to Appendix, AO, Chapter 31 Subsistence Allowance Rate of Pay). Full-time NPWE is defined as an unpaid work experience that meets the criteria in 38 CFR 21.299 and the definition of full-time at the employing organization. In this instance, full-time will be the number of hours specified by the employer for that position. NPWE may also be pursued on a less than full-time basis (38 CFR 21.79(f) (3) (ii)). This means that if the Veteran is participating in NPWE on a less than full-time basis, a payment of subsistence allowance is based upon a proportionate amount of a work week.

Example: if the standard work week is 40 hours, three-quarter time is at least 30 hours, but less than 40 hours; and half-time is at least 20 hours, but less than 30 hours.

Employers must complete and submit VAF 28-1905c (See Appendix O, VA Forms) each month to the case manager for review. This form documents attendance and progress. The original form should be submitted to VA no later than the 10th day after the end of each month. It is possible to make up days missed (i.e., sick days or personal days) so that the total number of days completed by the end of the month is consistent with the desired rate of pay.

VR&E staff must ensure that subsistence allowance is appropriately entered in BDN. Refer to M28R.V.A.3 for guidelines and determinations needed to process subsistence allowance payments for Veterans participating in NPWE. The procedures for processing an original or amended award found in sections 8.07 and 8.08 of this chapter should be followed when processing subsistence allowance for Veterans participating in a NPWE.

h. Leave of Absence

VA may approve a leave of absence under certain conditions. During an approved leave of absence, a Veteran in receipt of subsistence allowance must be considered to be pursuing a rehabilitation program. VR&E staff must ensure that subsistence allowance is appropriately entered in BDN.

It is possible for a Veteran who is participating in OJT, apprenticeship, or NPWE to stop active participation for a short period of time, but have his/her rehabilitation case remain in an active status and continue to receive subsistence allowance during the leave (38 U.S.C. 3110). A request for a leave of absence must be made by the Veteran in advance of the leave. However, the case manager may excuse an unauthorized leave of absence when it was not possible for the Veteran to obtain advance approval for the leave of absence and the conditions for approval of a leave of absence would otherwise be met (e.g., sick days, family emergencies). Payment of subsistence allowance may continue when training facilities are temporarily closed for the weekend and legal holidays, unless the case manager and the Veteran jointly determine that such payment is not in the Veteran's best interest. Further guidance on approving a leave of absence is outlined in M28R.V.A.6.

8.07 Process Original Award

The following commands are used to process an original award of subsistence allowance:

- MINQ (Master Record Inquiry): this BDN command is used to check the Veteran's Chapter 31 and Master Record before an award transaction.
- CADJ (Claims Adjudication): the BDN command used to transact a subsistence allowance award.
- CAUT (Claims Authorization): the BDN command used to authorize a pending claim for subsistence.

Alt/Enter keystrokes are ineffective for BDN Shell in the Windows 7 environment. To move from the Ready screen into BDN, and then to other record screens, use the Enter key only.

VR&E staff should also be aware of the Hines Information Technology Center (ITC) Schedule of BDN Operations Site. The Schedule of Operations is a Microsoft Word document that is published monthly. The schedule provides information on cycle processing dates and anticipated check dates. The Schedule of Operations can be found by accessing the following website: http://vbahinesweb.vba.va.gov/web/bdn_sched_of_op.htm.

- If the Veteran is in a current pay status, the Education award must be stopped before you proceed with the Ch 31 award of subsistence allowance.
- Repeat these directions for each Chapter.

NOTE: VRAP uses a re-purposed Ch 30 M21 screen. If the Veteran has established eligibility for VRAP, the screen will show VRAP usage after entering Ch 30 in the Benefit Type field. If he/she has not established eligibility for VRAP, only the Ch 30 information will be displayed.

2. Verify Dependents

VR&E staff must review the 434 screen and update dependency information before processing of the original award. Procedures for accessing dependent information in Share are outlined in section 8.06.c of this chapter. See section 8.08.b of this chapter for further guidance on adding/removing dependent information.

b. Complete the BDN Ready Screen

The BDN screen below is the Ready screen. The following necessary fields must be completed on the Ready screen to process an original award:

- Command Enter CADJ and the User's pass code (The 4-digit code will not be displayed as you type)
- Screen Number Enter 435
- File Number Enter Veteran's claim number
- Payee Number Enter 00
- End Product Code Enter 780
- Benefit Enter ch31
- Stub Name Enter the first initial, a space (using the spacebar), middle initial, a space (using the spacebar), and the first five letters of the Veteran's last name
- Press the Enter key to advance to the 101 screen.

The screenshot shows a terminal window titled "Softerm - Modular - VACO". The main display area is dark blue with white text. At the top, it says "READY". Below that, there are several fields and their values:

```

COMMAND          cadj ~
SCREEN NUMBER    435
FILE NUMBER
PAYEE NUMBER     00
END PRODUCT CODE 780
BENEFIT         ch31
STUB NAME       a c berna
FULL NAME
FIRST           a
MIDDLE         c
LAST           berna
SUFFIX
SOC SEC NUMBER
SERVICE NUMBER          BRANCH          EOD          RAD
DATE OF BIRTH          DATE OF DEATH
REGIONAL OFFICE
INSURANCE NUMBER
REQUESTOR ID          ~
  
```

At the bottom of the terminal window, there is a control bar with several buttons and indicators:

- Online
- Connect
- Half Duplex
- Capture Off
- Ic
- NumLock
- 03/05/2013 5:56PM
- Mark On

Below the control bar, there is a status bar with the following information:

```

READY  Replace  Form  Roll  Line: 15 Col: 025
  
```

c. Complete the BDN 101 Screen

The BDN screen below is the 101 screen. The following necessary fields must be completed on the 101 screen:

- Section/Unit Number Enter the 4-digit Case Manager number
- Date of Claim Enter the date in mm-dd-yy format
- Press the F10 key to advance to the Next Screen field located at the bottom of the screen
- Enter 435 in the Next Screen field
- Press the Enter key to advance to the Next Screen.

Softerm - Modular - VACO

File Edit Options Preferences Help

101 PENDING ISSUE CONTROL ESTABLISHMENT 03-05-13
 FILE NUMBER 00 END PRODUCT 780 CH31 NAME A C BERNA
 NAME A C BERNA NAME LINE NO
 AND 300 LAKE STREET
 ADDRESS CHITOWN, IL 60619 POWER OF ATTORNEY NONE
 FIDUCIARY FILE LOC
 VET STUB NAME A C BERNA
 BENE STUB NAME BENE BIRTH DATE
 END PRODUCT CODE SECTION/UNIT NO 8373
 DATE OF CLAIM 03-05-13 SUSPENSE DATE
 GW REGISTRY PERMIT FUTURE REASON
 SUPPRESS ACKNOWLEDGEMENT LETTER SPECIAL ISSUE CASE
 DISPOSITION DATA
 FOLDER WITH CLAIM DISPOSITION
 FOLDER REQUEST
 PREPARE FROM FILES FROM OTHER VA OTHER FOLDER DELAY
 NEXT SCREEN 435

Online Connect Half Duplex Capture Off lc NumLock 03/05/2013 6:00PM Mark On

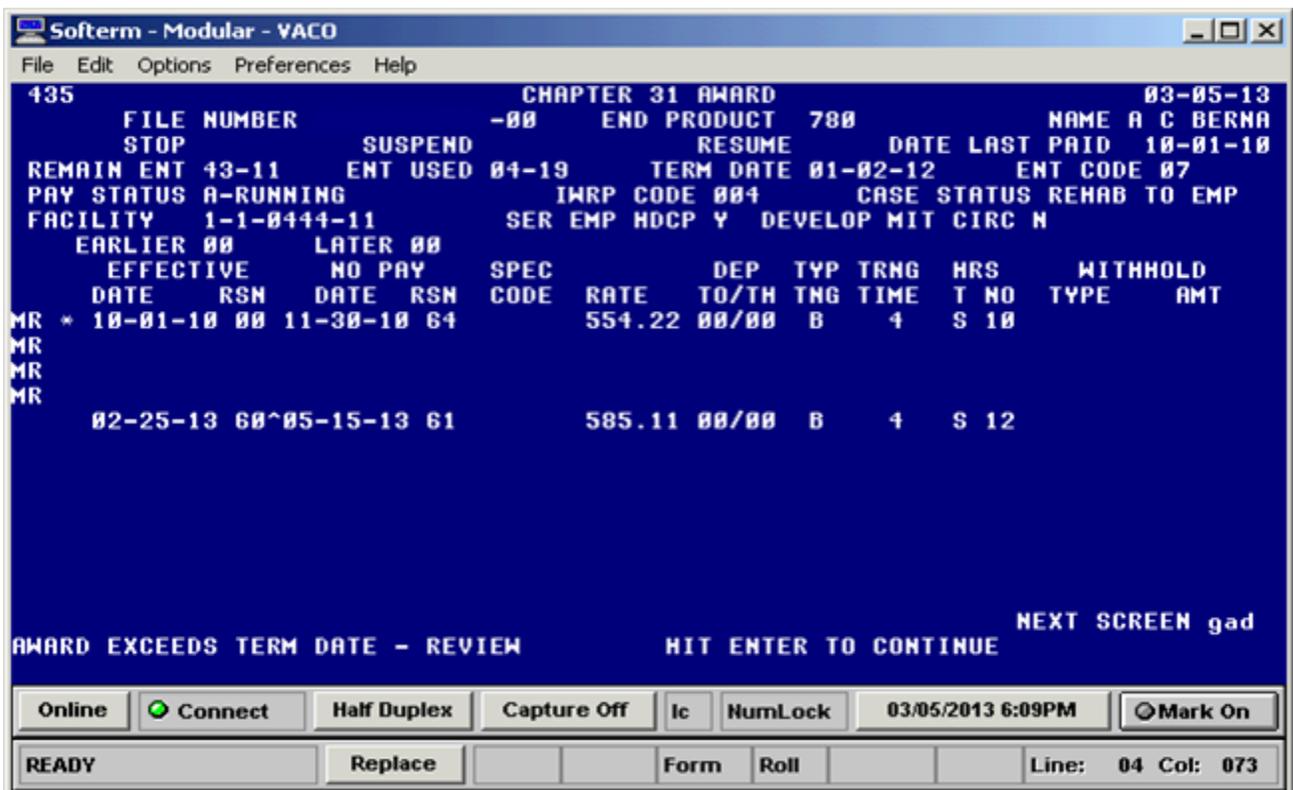
READY Replace Form Roll Line: 22 Col: 079

d. Complete the BDN 435 Screen

The BDN screen below is the 435 screen (see original award dated 10-01-10). The following necessary fields must be completed on the 435 screen:

- Entitlement Code (ENT CODE) Enter the appropriate code found in Appendix AQ, BDN Codes
- Facility Enter the facility code found on VAF 28-1905
- Effective Date Enter the appropriate begin date
- Begin Reason Code (RSN) Enter 00 for an original award
- No Pay Date Enter a no pay date that is the day after the last day of the term

- No Pay Reason Code (RSN) Enter the appropriate reason code found in Appendix AQ, BDN Codes
- Dependency Code (DEP TO/TH) Enter the appropriate dependency code found in Appendix AQ, BDN Codes
- Type of Training (TYP TNG) Enter the appropriate type of training code found in Appendix AQ, BDN Codes
- Training Time (TRNG TIME) Enter the appropriate training time code found in Appendix AQ, BDN Codes
- Number of Credits/Hours (HRS) Enter the appropriate hours type code found in Appendix AQ, BDN Codes



e. Complete Processing the Original Award

- Press F10 to go to the Next Screen field and type GAD (Generate Award Data) to ensure there are no errors in the data entered.

- If there are errors on the screen, they will be flashing or an error message will be on the screen.
 - Correct errors.
 - Press F10 and enter GAD.
 - Repeat the above steps until all data is accurate.
 - Press F10 and Enter GAP (Generate and Print) in the Next Screen field.
 - Press Enter.
- f. Complete the CAUT Procedure on the BDN 501 screen

An original award requires a second person to authorize it. Give the printed results from the GAP command (VAF 22-8945) to another VR&E staff member with CAUT authority. VAF 22-8945 must be signed by the staff member performing the CAUT procedure and filed on the left side of the Veteran's CER folder. See section 8.08.a.4 for guidance on completing the CAUT procedure on the BDN 501 screen.

8.08 Process Amended Award

a. Amend Rate of Pursuit

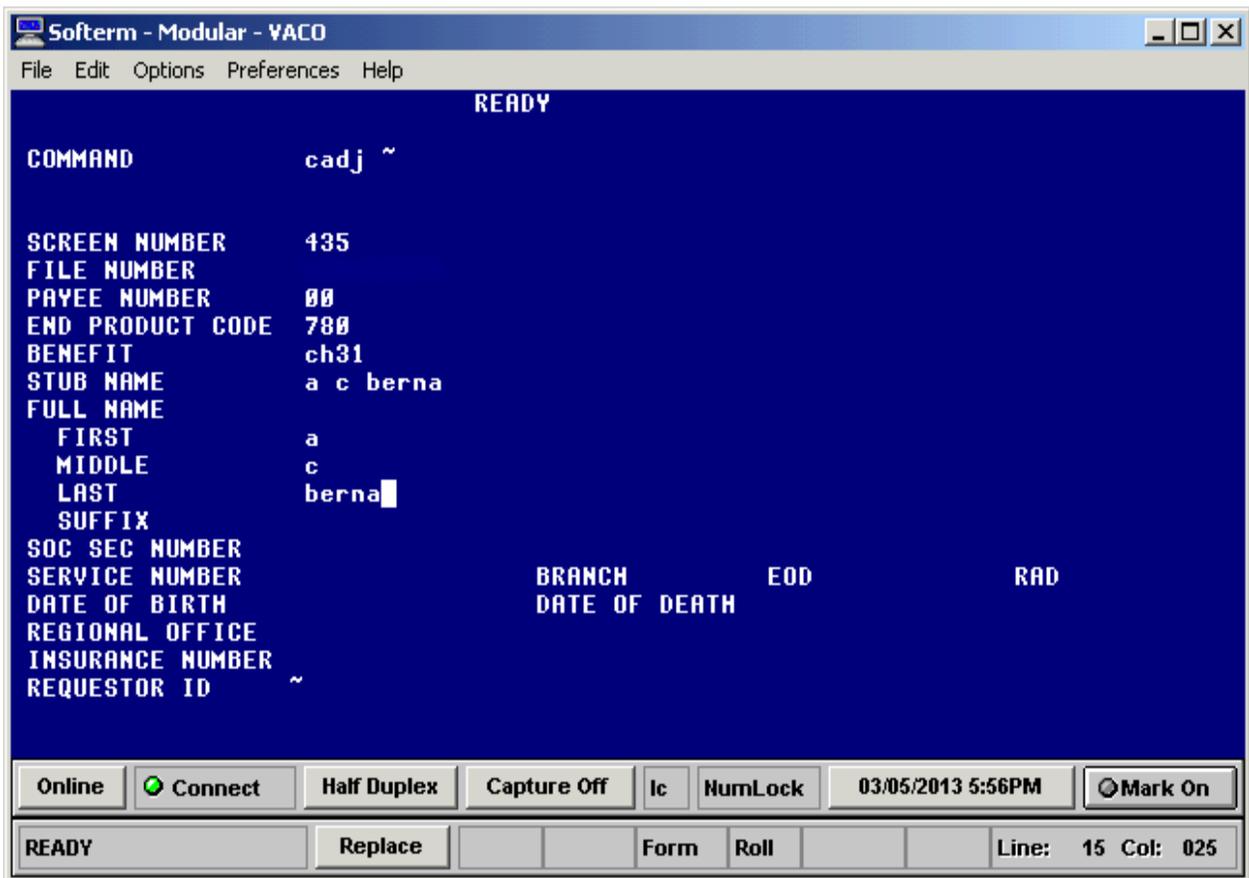
1. Complete the BDN Ready Screen

The BDN screen below is the Ready screen. The following necessary fields must be completed on the BDN Ready screen:

- | | |
|--------------------|--|
| • Command | Enter CADJ and the User's pass code (The 4-digit code will not be displayed as you type) |
| • Screen Number | Enter 435 |
| • File Number | Enter Veteran's claim number |
| • Payee Number | Enter 00 |
| • End Product Code | Enter 780 (End Product Codes are found in Appendix AQ, BDN Codes) |
| • Benefit | Enter ch31 |

- Stub Name Enter the first initial, a space (using the spacebar), middle initial, a space (using the spacebar), and the first five letters of the Veteran's last name
- Press Enter to advance to the 101 screen.

NOTE: 781 may be used as an alternate End Product Code when the award is canceled and reentered on the same day.



2. Complete the BDN 101 Screen

The BDN screen below is the 101 screen. The following necessary fields must be completed on the 101 screen:

- Section/Unit Number Enter the 4-digit Case Manager number
- Date of Claim Enter the date in mm-dd-yy format

- No Pay Date Enter a no pay date that is the day after the last day of the term
- No Pay Reason Code (RSN) Enter the appropriate reason code found in Appendix AQ, BDN Codes
- Dependency Code (DEP TO/TH) Enter the appropriate dependency code found in Appendix AQ, BDN Codes
- Type of Training (TYP TNG) Enter the appropriate type of training code found in Appendix AQ, BDN Codes
- Training Time (TRNG TIME) Enter the appropriate training time code found in Appendix AQ, BDN Codes
- Number of Credits/Hours (HRS) Enter the appropriate hours type code found in Appendix AQ, BDN Codes
- Repeat this step for all fields (terms) on VAF 28-1905.
- Overpayment may occur if a Veteran reduces his/her enrollment and the subsistence allowance award is not amended until after the payment for that month has been issued.
- Press F10 and enter GAD in the Next Screen field to ensure there are no errors in the data entered.
- Press F10 and enter GAP in the Next Screen field.
- Press Enter.
- Press the F10 key to advance to the Next Screen field located at the bottom of the screen and enter 501.
- Press the Enter key to display the BDN 501 screen.

Softerm - Modular - VACO

File Edit Options Preferences Help

435 CHAPTER 31 AWARD 03-05-13
 FILE NUMBER -00 END PRODUCT 780 NAME A C BERNA
 STOP SUSPEND RESUME DATE LAST PAID 10-01-10
 REMAIN ENT 43-11 ENT USED 04-19 TERM DATE 01-02-12 ENT CODE 07
 PAY STATUS A-RUNNING IWRP CODE 004 CASE STATUS REHAB TO EMP
 FACILITY 1-1-0444-11 SER EMP HDCP Y DEVELOP MIT CIRC N
 EARLIER 00 LATER 00
 EFFECTIVE NO PAY SPEC DEP TYP TRNG HRS WITHHOLD
 DATE RSN DATE RSN CODE RATE TO/TH TNG TIME T NO TYPE AMT
 MR * 10-01-10 00 11-30-10 64 554.22 00/00 B 4 S 10
 MR
 MR
 MR
 02-25-13 60^05-15-13 61 585.11 00/00 B 4 S 12

AWARD EXCEEDS TERM DATE - REVIEW NEXT SCREEN gad
 HIT ENTER TO CONTINUE

Online Connect Half Duplex Capture Off lc NumLock 03/05/2013 6:09PM Mark On

READY Replace Form Roll Line: 04 Col: 073

4. Complete the CAUT Procedure on the BDN 501 Screen

The printed results from the GAP command (VAF 22-8945) must be reviewed and signed by the staff member performing the CAUT procedure and filed on the left side of the Veteran's CER folder.

(a) No Error Found

The BDN screen below is the 501 screen. The following necessary fields must be completed on the 501 screen if no errors are found:

- Type Y in the Authorized field.
- Press the Enter key to complete the transaction.

VAF 22-8945 must be signed by the staff member completing the CAUT procedure and filed on the left side of the Veteran's CER folder.

(b) Error Found

If the VR&E staff member completing the CAUT procedure finds an error during the award transaction review, he/she must enter N in the

Authorized field. A screen message will display, "Are there mitigating circumstances?"

- Enter N if you are not developing for mitigating circumstances.
- Enter Y if currently developing for mitigating circumstances.

Perform the following steps to correctly interrupt award processing after finding an error:

- Press the F10 key and enter End in the Next Screen field.
- Press Enter to display the Disposition screen.
- Enter N in the Folder with Claim field.
- Tab to the Location field and type VRC.
- Tab to Folder With Claim field and type N.
- Press the Enter key.

This closes the award transaction and allows the first or subsequent VR&E staff member (if given to another staff member with CAUT authority) to re-enter the award transaction and complete it. If the transaction screen is closed without completion by using F8 key, only the first staff member can enter the transaction.

Softerm - Modular - VACO

File Edit Options Preferences Help

S81 AUTHORIZATION 84-18-13

FILE NUMBER ██████████ -88 END PRODUCT 780-CH31 NAME S A SOMET

TRANSACTION 88R CH31 UPDATE RELATED ISSUES

PAYEE # EPC

y AUTHORIZED SUPPLEMENTAL PYMT 88 783

COLLECTION CODE AMOUNT 88 789

LETTER SUPPRESSOR FOLDER PULL REQD

SC DEATH PENDING SECTION 156 REPS

OVERPAYMENT PARAGRAPH AUD REL A/R DOCUMENT NO

CHANGE END PRODUCT SERVICE VERIFIED

CONTINUE CONTROL SUSPENSE DATE RATING BOARD ACTION

CANCEL PENDING ISSUE

ESTABLISH NEW ISSUE

SPECIAL LETTER ATTACHMENTS

CLOTHING ALLOWANCE (21-8678)

SPECIALLY ADAPTED HOUSING (26-4555)

AUTOMOBILE ALLOWANCE (21-4582)

CHAPTER 31 ELIGIBILITY (28-8898 28-1988)

SPOUSE CHILD CHAPTER 35 ELIGIBILITY (22-73-3 22-5498)

ADD'L DEVELOPMENT PARAGRAPHS

FILE NUMBER: PAYEE: 88 EPC: BENE: CH31 NEXT SCREEN

Online Connect Half Duplex Capture Off lc Cursor 04/10/2013 6:32PM Mark On

READY Replace Form Roll Line: 07 Col: 016

b. Amend Dependent(s) Information

1. Complete the BDN Ready Screen

The BDN screen below displays the Ready screen. The following necessary fields must be completed on the BDN Ready screen:

- Command Enter CADJ and the User's pass code (The 4-digit code will not be displayed as you type)
- Screen Number Enter 434
- File Number Enter Veteran's claim number
- Payee Number Enter 00
- End Product Code Enter 780 (End Product Codes are found in Appendix AQ, BDN Codes)

- Benefit Enter ch31
- Stub Name Enter the first initial, a space (using the spacebar), middle initial, a space (using the spacebar), and the first five letters of the Veteran's last name
- Press the Enter key to advance to the 101 screen.

Softerm - Modular - VACO

File Edit Options Preferences Help

READY

COMMAND cadj ~

SCREEN NUMBER 434

FILE NUMBER

PAYEE NUMBER 88

END PRODUCT CODE 781

BENEFIT ch31

STUB NAME a c berna

FULL NAME

FIRST a

MIDDLE c

LAST berna

SUFFIX

SOC SEC NUMBER

SERVICE NUMBER

DATE OF BIRTH

REGIONAL OFFICE

INSURANCE NUMBER

REQUESTOR ID ~

BRANCH

DATE OF DEATH

EOD

RAD

Online Connect Half Duplex Capture Off lc NumLock 03/05/2013 6:17PM Mark On

READY Replace Form Roll Line: 15 Col: 025

2. Complete the BDN 101 Screen

The BDN screen below displays the 101 screen. The following necessary fields must be completed on the 101 screen:

- Section/Unit Number Enter the 4-digit Case Manager number
- Date of Claim Enter the date in mm-dd-yy format
- Press the F10 key to advance to the Next Screen field located at the

- Add Date

Enter the date that the spouse is being added/modified

434

FILE NUMBER -00 DEPENDENCY 03-05-13

SPOUSE NAME: SPOUSEWIFE END PRODUCT 780 NAME A C BERNA

IND ADD DATE BEGIN END AMOUNT DATE RSM

SPOUSE Y 02-25-13

MOTHER

FATHER

CHILD NAME DOB STAT

ADDL CHILDREN NOT SHOWN ABOVE: TOTAL THIS

M/R SHOWS DEPENDENCY TOTAL 00 THIS 00 NEXT SCREEN

Online Connect Half Duplex Capture Off Ic NumLock 03/05/2013 6:27PM Mark On

READY Replace Form Roll Line: 03 Col: 015

(b) Add Child Information

The following necessary fields must be completed on the 434 screen to add dependency information (see 434 screen above):

- Child Name Enter the child's first name
- STAT field Enter appropriate dependency code found in Appendix AQ, BDN Codes
- DOB field Enter the child's date of birth
- Add Date Enter the date that the child is being added
- The End Date and Reason Code fields will be automatically populated by BDN except when the STAT field contains a 2, which

- Enter 501.
- Press the Enter key.
- Give the printed results from the GAP command (VAF 22-8945) to another VR&E staff member with CAUT authority.

The screenshot shows a terminal window titled "Softerm - Modular - VACO" with a menu bar (File, Edit, Options, Preferences, Help). The main display area contains the following text:

```

435          CHAPTER 31 AWARD          03-05-13
      FILE NUMBER      -00      END PRODUCT  700      NAME A C BERNA
      STOP              SUSPEND          RESUME      DATE LAST PAID  10-01-10
REMAIN ENT 43-11      ENT USED 04-19      TERM DATE 01-02-12      ENT CODE 07
PAY STATUS A-RUNNING      IWRP CODE 004      CASE STATUS REHAB TO EMP
FACILITY  1-1-0444-11      SER EMP HDCP Y      DEVELOP MIT CIRC N
      EARLIER 00      LATER 00
      EFFECTIVE      NO PAY      SPEC      DEP TYP TRNG  HRS      WITHHOLD
      DATE  RSN  DATE  RSN  CODE  RATE  TO/TH  TNG TIME  T NO  TYPE  AMT
MR * 10-01-10 00 11-30-10 64      554.22 00/00  B    4    S 10
MR
MR
MR
MR
      02-25-13 60 05-15-13 61      725.78 10/10  B    4    S 12
  
```

At the bottom right of the main display area, it says "NEXT SCREEN". Below the main display is a control bar with buttons for "Online", "Connect", "Half Duplex", "Capture Off", "Ic", "NumLock", "03/05/2013 6:30PM", and "Mark On". At the very bottom is a status bar with "READY", "Replace", "Form", "Roll", and "Line: 22 Col: 076".

5. Complete the CAUT Procedure on the BDN 501 Screen

See section 8.08.a.4 for guidance on completing the CAUT procedure on the BDN 501 screen.

c. Suspend an Award

The SUSP command is used to suspend, or interrupt, a running award of subsistence allowance. The following steps are used to suspend a running award of subsistence allowance:

1. Complete the BDN Ready Screen

The BDN screen below displays the BDN Ready screen. The following necessary fields must be completed on the BDN Ready screen:

- Command Enter SUSP and the User's pass code (The 4-digit code will not be displayed as you type)
- Screen Number Enter 435
- File Number Enter Veteran's claim number
- Payee Number Enter 00
- End Product Code Enter 780 (End Product Codes are found in Appendix AQ, BDN Codes)
- Benefit Enter ch31
- Stub Name Enter the first initial, a space (using the spacebar), middle initial, a space (using the spacebar), and the first five letters of the Veteran's last name
- Press the Enter key to advance to the 101 screen.

```

Softerm - Modular - VACO
File Edit Options Preferences Help
READY
COMMAND          susp ~
SCREEN NUMBER     435
FILE NUMBER       ----2001
PAYEE NUMBER      00
END PRODUCT CODE  783
BENEFIT           ch31
STUB NAME         s a somet
FULL NAME
  FIRST           susan
  MIDDLE          a
  LAST            something
  SUFFIX
SOC SEC NUMBER
SERVICE NUMBER
DATE OF BIRTH
REGIONAL OFFICE
INSURANCE NUMBER
REQUESTOR ID     ~
BRANCH
EOD
DATE OF DEATH
RAD
Online  Connect  Half Duplex  Capture Off  Ic  Cursor  04/10/2013 6:54PM  Mark On
READY  Replace  Form  Roll  Line: 22 Col: 025

```

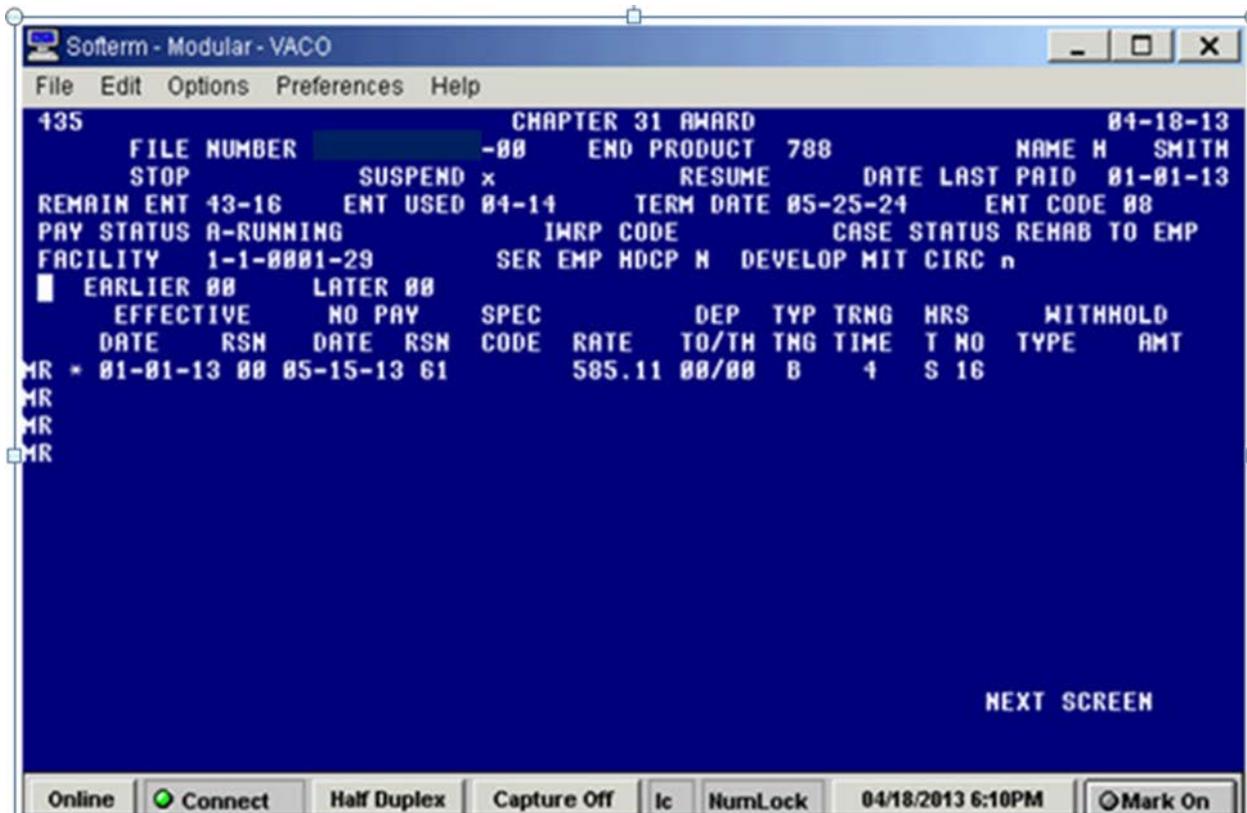
2. Complete the BDN 101 Screen

See section 8.07.c of this chapter for guidance on completing the BDN 101 screen.

3. Complete the BDN 435 Screen

The BDN screen below is the 435 screen. The following necessary fields must be completed on the 435 screen:

- Enter the reason code to the right of the Suspend field on the 435 screen.
- Press the F10 key to advance to the Next Screen field located at the bottom of the screen and enter 501.
- Press the Enter key.



4. Complete the CAUT Procedure on the BDN 501 screen

See section 8.08.a.4 for guidance on completing the CAUT procedure on the BDN 501 screen.

d. Resume an Award

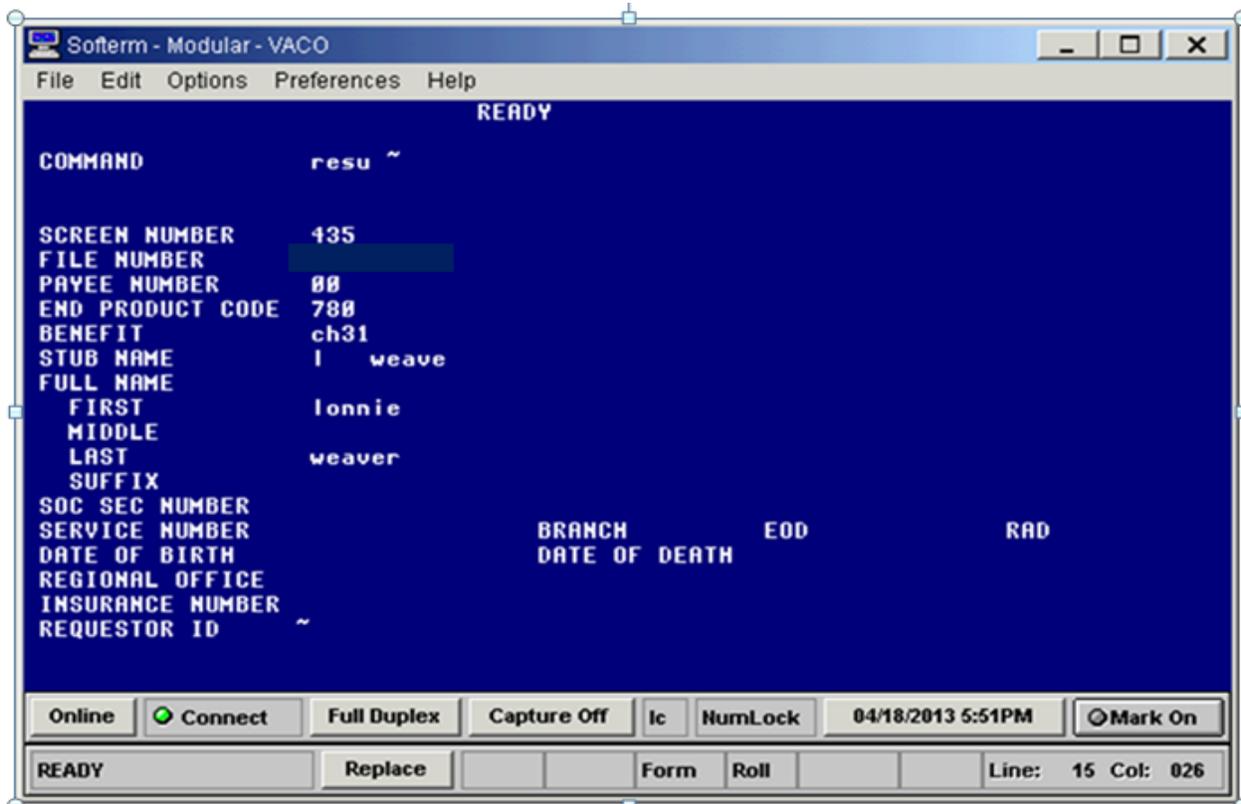
The RESU command is used to resume suspended payments on running subsistence awards. It should be noted that when a Veteran's subsistence allowance check is returned for a bad address, etc., it will cause the award to be suspended. If a Veteran calls to say he/she has not received his/her subsistence allowance, and the subsistence allowance has not been stopped, check the M35 screen Master Record Type. If the M35 screen shows Type A Suspended 21, you will need to perform a Resume to release the Veteran's check. It is also important to check the CADD screen to ensure that the Veteran's address is correct.

The following steps are used to resume a running award of subsistence allowance:

1. Complete the BDN Ready Screen

The BDN screen below displays the BDN Ready screen. Complete the following on the BDN Ready screen:

- Command Enter RESU (Resume) and the User's pass code (The 4-digit code will not be displayed as you type)
- Screen Number Enter 435
- File Number Enter Veteran's claim number
- Payee Number Enter 00
- End Product Code Enter 780 (End Product Codes are found in Appendix AQ, BDN Codes)
- Benefit Enter ch31
- Stub Name Enter the first initial, a space (using the spacebar), middle initial, a space (using the spacebar), and the first five letters of the Veteran's last name
- Press Enter to advance to the 101 screen.



2. Complete the BDN 101 Screen

See section 8.07.c of this chapter for guidance on completing the BDN 101 screen.

3. Complete the BDN 435 screen

Complete the following on the BDN 435 screen:

- Enter an X to the right of the Resume field.
- Press the F10 key to advance to the Next Screen field located at bottom of the screen and enter 501.
- Press the Enter key.

4. Complete the CAUT Procedure on the BDN 501 Screen

See section 8.08.a.4 for guidance on completing the CAUT procedure on the BDN 501 screen.

e. Stop an Award

The STOP command is used to terminate payments on running subsistence awards. The following steps are used to terminate a running award of subsistence allowance:

1. Complete the BDN READY Screen

The BDN screen below displays the Ready screen. The following necessary fields must be completed the following on the BDN Ready screen:

- | | |
|--------------------|--|
| • Command | Enter Stop and the User's pass code (The 4-digit code will not be displayed as you type) |
| • Screen Number | Enter 435 |
| • File Number | Enter Veteran's claim number |
| • Payee Number | Enter 00 |
| • End Product Code | Enter 780 (End Product Codes are found in Appendix AQ, BDN Codes) |

- Benefit Enter ch31
- Stub Name Enter the first initial, a space (using the spacebar), middle initial, a space (using the spacebar), and the first five letters of the Veteran's last name
- Press Enter to advance to the 101 screen.

```

Softerm - Modular - VACO
File Edit Options Preferences Help
READY
COMMAND          stop ~
SCREEN NUMBER     435
FILE NUMBER       -----1036
PAYEE NUMBER      00
END PRODUCT CODE  780
BENEFIT           ch31
STUB NAME         w g harno
FULL NAME
  FIRST           w
  MIDDLE          g
  LAST            harno
  SUFFIX
SOC SEC NUMBER
SERVICE NUMBER   BRANCH          EOD          RAD
DATE OF BIRTH    DATE OF DEATH
REGIONAL OFFICE
INSURANCE NUMBER
REQUESTOR ID     ~
  
```

Online Connect Half Duplex Capture Off lc Cursor 04/10/2013 7:33PM Mark On

READY Line: 07 Col: 025

2. Complete the BDN 101 Screen

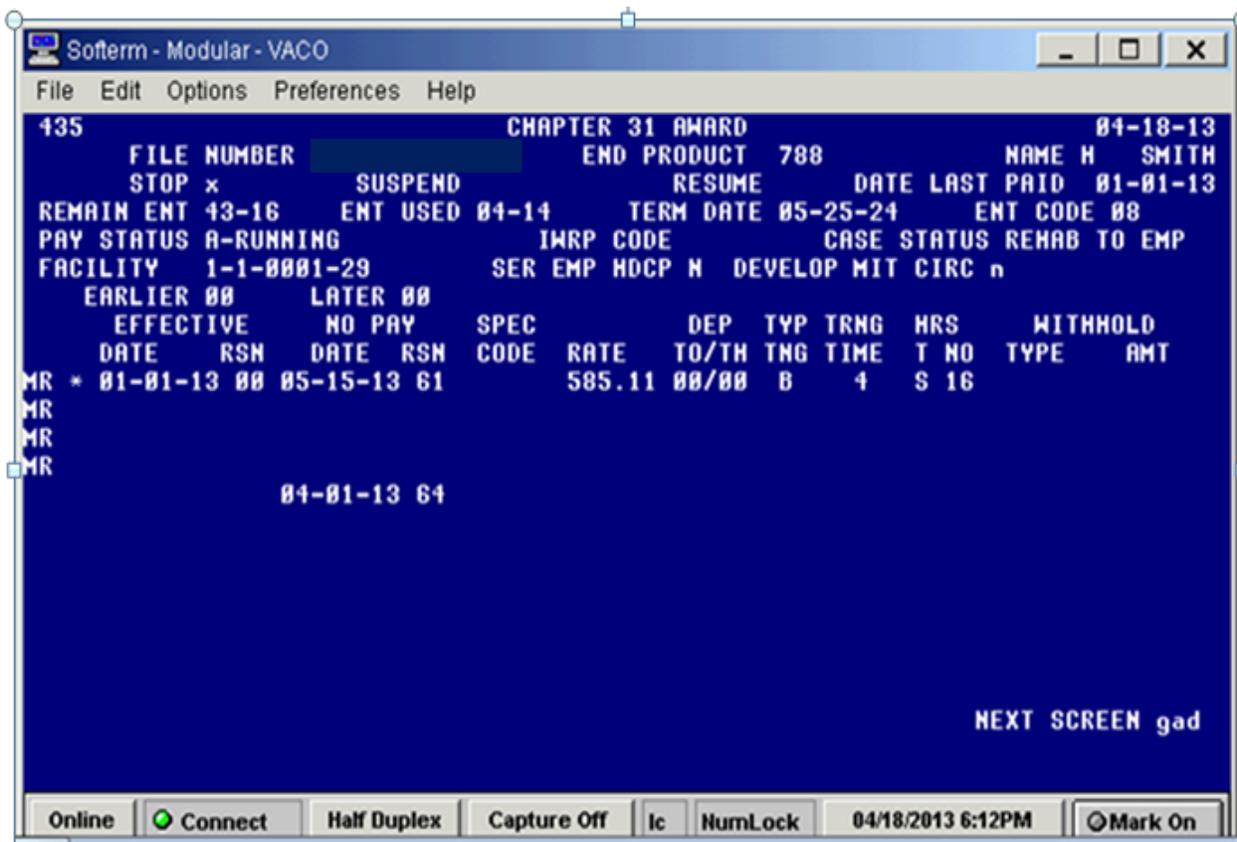
See section 8.07.c of this chapter for guidance on completing the BDN 101 screen.

3. Complete the BDN 435 Screen

The BDN screen below is the 435 screen. The following necessary fields must be completed on the 435 screen:

- Enter an X to the right of the Stop field.

- Enter the date of the first day that the Veteran will not receive pay in the No Pay Date field.
- Press the F10 key to advance to the Next Screen field located at the bottom of the screen and enter GAD (Generate and Develop) to verify data entry.
- Press the Enter key.
- If End Date is correct, press the F10 key to advance to the Next Screen field located at the bottom of the screen.
- Enter 501.
- Press the Enter key.



4. Complete the CAUT Procedure on the BDN 501 Screen

See section 8.08.a.4 for guidance on completing the CAUT procedure on the BDN 501 screen.

8.09 Process Retroactive Award

Before processing a retroactive award of subsistence allowance, VR&E staff must always verify whether or not the Veteran is in receipt of another award of training allowance (e.g., Ch 30, Ch 32, Ch 33, Ch 34, 1606, 1607, VRAP). Refer to section 8.07.a of this chapter for guidelines on how to check for the concurrent use of education benefits (e.g., Ch 30, Ch 32, Ch 33, Ch 34, 1606, 1607, VRAP).

a. The Veteran Has Used Chapter 33 Benefits During the Time Frame of Retroactive Induction

VR&E must not process a retroactive award of subsistence allowance when benefits have already been paid under Chapter 33. The earliest Chapter 31 benefits may be paid is the term following the Veteran's request to transfer to Chapter 31.

b. The Veteran Has Not Used Chapter 33 Benefits During the Time Frame of Retroactive Induction

1. Use the Original Award procedure to enter the Chapter 31 award (refer to section 8.07 for further guidance) based on the certification of enrollment and the period covered by the Veteran's approved retroactive induction plan.
2. If the Veteran is in receipt of another award of training allowance (other than Chapter 33), VR&E staff must ensure that the following actions have been taken:
 - Any current payment for education benefit has been stopped.
 - Any previous education benefit covered by the retroactive period authorized in the rehabilitation plan has been set for recovery (see section 8.12.a of this chapter for more information about station debt).

A Chapter 31 education award must not be entered in BDN until the actions above have been completed.

Refer to M28R.IV.C.2 for further guidance on retroactive induction.

8.10 Process Post-9/11 Subsistence Allowance (P911SA)

Processing P911SA in BDN requires the use of a special Protected Rate (PR) code that allows VR&E staff with the proper BDN commands to enter the correct BAH rate applicable to the Veteran's enrollment rate and facility zip code. The PR code utilizes existing BDN functionality that has been revised especially for the

payment of P911SA. It is not necessary to use the PR code to process awards of the traditional subsistence allowance rates since BDN will calculate the correct monthly amount based on type of training, duration and rate of pursuit. This field has a maximum dollar amount that is periodically adjusted so that the 435 screen can accommodate the appropriate payable amount of P911SA. The use of Protected Rate invokes a system-edit which requires a second signature. This means that both the originator and the authorizer must sign the award. The BDN screen below is a BDN 435 screen that demonstrates how the special PR code is used.

The screenshot shows a terminal window titled "Softterm - Modular - MGW1 Connection". The main display area shows the following information:

```

435          CHAPTER 31 AWARD          07-20-11
FILE NUMBER  END PRODUCT 782          NAME
STOP          SUSPEND          RESUME          DATE LAST PAID 12-16-10
REMAIN ENT 39-00  ENT USED 09-00  TERM DATE 01-10-12  ENT CODE 07
PAY STATUS A-RUNNING          IWRP CODE 189          CASE STATUS REHAB TO EMP
FACILITY 1-1-0044-11          SER EMP HDPC Y          DEVELOP MIT CIRC
EARLIER 00          LATER 00
EFFECTIVE          NO PAY          SPEC          DEP          TYP          TRNG          HRS          WITHHOLD
DATE          RSN          DATE          RSN          CODE          RATE          TO/TH          TNG          TIME          T          NO          TYPE          AMT
MR * 10-01-10 00 01-01-11 64          554.22 00/00  B          4          S 10
MR 06-01-11 60          554.22 00/00  B          4          S 10
MR 07-27-11 76 08-01-11 76          554.22 00/00  B          4          S 10
MR
08-15-11 60 12-15-11 61  PR 1563.00 00/00  B          4          S 12

```

At the bottom of the screen, there is a status bar with the following information:

```

Online  Connect  Full Duplex  Capture Off  lc  NumLock  07/20/2011 6:14PM  Mark On
READY  Replace  Form  Roll  Line: 22 Col: 079

```

a. Obtain Information Needed for Award Processing

Select one of the following scenarios to determine the next steps toward processing the award in the BDN:

1. The Veteran Has Not Used Chapter 33 Benefits

If the Veteran has not used Chapter 33 benefits for the period elected and has not been paid regular Chapter 31 subsistence for the current period, VR&E staff must take the following steps:

- (a) Contact the Regional Processing Office (RPO) to notify them of the details of the election, verify the Veteran's Chapter 33 eligibility, and ensure that there is not a pending Chapter 33 award for the elected

enrollment period.

- (b) Document the details of contact with the RPO in CWINRS notes including the date the RPO verifies as the last date the Veteran will be paid under Chapter 33 due to transfer to Chapter 31.
 - (c) Obtain certification of enrollment from the training facility.
 - (d) Identify the appropriate BAH or OHA to use when determining rate of pay. (See Appendix AW, Calculating Rate of Pay for Post-911 Subsistence Allowance for more guidance.).
 - (e) Process the P911SA award:
 - (1) For the Effective Date on the 435 screen, use the date the election is effective if that is during an approved enrollment period, or use the beginning date of the next term.
 - (2) If this is an original Chapter 31 award, use 00 as the effective reason code; use 75 if the begin date of this award is earlier than the original Chapter 31 award, otherwise use 29; in either case, use the day after the end of the term as the no pay date with Reason Code 61.
 - (3) Enter PR under Special Code.
 - (4) Enter the appropriate rate as determined in Appendix AW, Calculating Rate of Pay for Post-911 Subsistence Allowance for this type of training and training time.
 - (5) Enter dependency and training information as certified.
 - (6) Complete GAD, GAP and CAUT screens to authorize the award.
 - (7) A retroactive payment will be generated for the amount due under Chapter 31, if the enrollment period started but the award was not processed prior to the running of Full File Pass in that month (see Schedule of BDN Operations).
 - (8) For award payments at the OHA rate, election cannot be made prior to April 4, 2013.
2. The Veteran Has Used or is Currently Using Chapter 33 Benefits

The earliest a transfer from Chapter 33 to Chapter 31 may be effective, when benefits have already been paid under Chapter 33, is the term

following the Veteran's request to transfer to Chapter 31.

3. The Veteran Has Been Paid Regular Chapter 31 Subsistence Allowance for Part or All of the Enrollment Period in Which P911SA is Elected

If the Veteran has been paid regular Chapter 31 subsistence allowance for part or all of the enrollment period in which P911SA is elected, VR&E staff must process the amended award as follows:

- (a) If the date the election is effective is prior to, or on the beginning date of a term for which an award already exists, use the beginning date of the term as the Effective Date with reason code 29.
- (b) If the date the election is effective is during a term for which an award already exists, use that date as the Effective Date with reason code 29; in either case, use the day after the end of the term as the No Pay Date with reason code 61.
- (c) Enter PR under Special Code.
- (d) Enter the appropriate rate for this type of training and training time.
- (e) Enter dependency and training information as certified.
- (f) Complete GAD, GAP and CAUT screens to authorize the award.
- (g) If P911SA rate is higher than the regular Chapter 31 rate, a retroactive payment will be generated for the amount due.
- (h) For award payments at the OHA rate, election cannot be made prior to April 4, 2013.

b. Procedures for BDN Awards that Exceed the Monthly Rate

BDN allows for manual entry of a dollar amount when using special code PR in processing P911SA awards. This field has a maximum dollar amount that is periodically adjusted so that the 435 screen can accommodate the appropriate payable amount of P911SA.

In some instances BAH rates for certain high-cost areas may exceed the BDN limit. During the interim period until the increased amounts are available in BDN, stations should process awards that are affected by the increase as follows:

- Obtain the Current BAH rate from <http://www.defensetravel.dod.mil/site/bahCalc.cfm> or <https://www.defensetravel.dod.mil/site/ohaCalc.cfm>
- Enter the current maximum rate payable in BDN and authorize the award.
- Retain a copy of VAF 22-8945 with annotation of the correct BAH rate under local control pending BDN rate increase.
- Upon verification that the maximum allowable rate has been increased, process an amended award, authorize and file all documents in the CER folder.

8.11 Process OJT/Apprenticeship Award

Processing an OJT/apprenticeship award requires the wage schedule information from the employer, beginning and ending dates of the OJT program and the dates of the projected salary increases. When processing OJT/apprenticeship awards, all changes in subsistence allowance based on a salary increase that occurs prior to the end the month become effective the first day of the second month (38 CFR 21.324 (h)) following the salary increase. The following steps outline how to process an OJT/apprenticeship award:

- a. Complete the Following on the BDN 435 Screen to Start the OJT/Apprenticeship Award
 1. Enter the starting date of the OJT/Apprenticeship (mm-dd-yy) in the Effective Date field.
 2. Enter code 00 (Original Award) in the Reason Code field; the three most commonly used reason codes are:
 - 00 – Original award
 - 71 – Wage rate change (OJT)
 - 61 – End of term
 3. Do not enter an ending date when there is a change of salary during the OJT award period; example: enter information related to a salary increase on the next line. If the salary increase is on 12/11/13, add the effective date of 02/01/14 (the beginning of the second month) and use the reason code 71 (change in salary); the ending date is when the Veteran completes the OJT program, assuming there is no other salary increase, using reason code 61 (end of term).

4. Enter the appropriate dependency code in the DEP TO/TH field (see Appendix AQ, BDN Codes for appropriate BDN codes).
 5. Enter G in the TYP TNG field (see Appendix AQ, BDN Codes for appropriate BDN codes).
 6. Enter one of the following training time codes in the TRNG Time field:
 - 1 - Full-Time
 - 2 - Full-Time Combination
 7. Enter C for clock hours in the HRS Type field.
 8. Enter 40 in the HRS Number field.
 9. Press Enter to display the BDN 436 screen (OJT/Apprenticeship); the BDN 436 screen will automatically bring in the award dates from the BDN 435 screen.
- b. Complete the Following on the BDN 436 Screen for Each Award Line Generated Based on the Data Entered on 435 Screen
1. Enter the monthly salary of the journeyman found on the wage schedule for that period of time in the Journeyman Monthly field.
 2. Enter the monthly salary of the trainee found on the wage schedule for that period of time in the Trainee Monthly field.
- NOTE: Refer to M28R.V.A.3 for information on obtaining a wage schedule from the Veteran's employer.
- c. Complete OJT Award
1. Enter dependency information.
 2. Complete GAD, GAP and CAUT screens to authorize the award.
 3. All OJT/apprenticeship awards require a second signature; this means that both the originator and the authorizer must sign the award.

8.12 Overpayments

38 U.S.C. 3680(a)(3) prohibits payment of VA benefits for a course in which a Veteran withdraws and receives a non-punitive grade that has no quality point value toward fulfilling a facility's graduation requirement and is not calculated into the GPA. When a Veteran decreases his/her training time (i.e. drops

classes, leaves school, etc.) and payment has already been processed for tuition and fees, the school will issue any refunds in accordance with the school's published policy and the Veteran's account will be credited with the amount the school refunds.

The Veteran is responsible for keeping track of his/her tuition and fee account balance and payments and should visit his/her school's financial office regularly to review accounts, ensure the charges are correct and that payments and refunds are processed correctly. The Veteran should also contact the school certifying official each school term, quarter, or semester to ensure the certification information sent to the VA matches his/her schedule.

A decrease in credit hours could also result in changes to the Veteran's subsistence allowance payment. If VA has already issued a subsistence allowance payment for the term, quarter, or semester, a debt may be created on the Veteran's account.

a. Station Debts

The local Regional Office (RO) finance activity is responsible for debts that the Debt Management Center (DMC) cannot service to include Chapter 31 Revolving Fund Loans (RFL) and Chapter 31 subsistence allowance debts on active records. These debts are entered into BDN or VETSNET Finance and Accounting System (FAS) and include offsets to prevent duplication of education benefits for overlapping periods when a student changes from one benefit program to another. The various offset types, depending on benefit are as follows: 61C, 63C, 90C, 96C, 97C.

NOTE: The only instance when stations can enter a 61C offset into a record is when one of the four education RPOs is retroactively converting an education benefit from Chapter 1606 to Chapter 1607.

VR&E staff should be aware of the local RO procedures for handling debts, including the process for requesting a waiver or consideration for a compromise offer from the appropriate Committee on Waivers and Compromises (COWC) at the RO of jurisdiction. For more information, refer to the Station Debt Processes Guide (March 2014) at the following website: <http://vbaw.vba.va.gov/bl/20/cfo/FIN/Fin241C/ProcGuidesROindex.htm>.

b. Debt Management Center (DMC) Debts

The DMC is responsible for Chapter 31 subsistence allowance debts on inactive records. When the Veteran's account is established with the DMC, they will receive a notice explaining what a waiver is and what VA needs to process it. To apply for a waiver, a Veteran must submit the following items:

- A written letter that explains why the Veteran feels he/she should not be held responsible for payment of the debt or why collection of the debt would be unfair and create a financial hardship.
- Completed and signed VAF 5655 (See Appendix O, VA Forms).
- The waiver and completed and signed VAF 5655 must be mailed to:

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

c. Administrative Errors

When an overpayment of subsistence allowance is discovered and corrected back to the first day of the award, a debt is created in the Veteran's name. This debt initiates a collection action by the local Finance activity and the debt is deducted from future payments to the Veteran unless a waiver is granted. Working with the Office of Resource Management (ORM), VR&E determined that when an administrative error by VA is the sole cause of the overpayment, a debt should not be created and cannot be removed by the local Finance activity. A Veteran must not be held financially responsible for overpayment that resulted solely from administrative error.

1. Procedures for Correcting Overpayments of Subsistence Allowance Caused by Administrative Error

38 U.S.C. 5112(b) (10) and 38 CFR 21.7135(v) (2) state that when an administrative error is the sole cause of an erroneous award, VA must reduce or terminate the award effective the date of last payment to avoid an overpayment.

Corrective action should be taken as soon as an overpayment caused by administrative error is identified. VR&E staff should not attempt to correct the award back to the beginning of the award period. The award should be corrected as of the Date Last Paid so that no debt will be established and no further erroneous payments will be made.

Reason Code 39 should be used for the effective reason code on the 435 screen in BDN when processing the corrected award. The beginning date of the corrected award will be one day after the ending date of the last period paid as noted in the following examples:

- (a) For an award corrected on June 5th in which the May payment had already been made but the June payment had not yet processed, the

begin date of the corrected award should be June 1st.

- (b) For an award corrected on June 23rd in which the June payment had already been processed, the begin date of the corrected award should be July 1st.
- (c) When the sole corrective award action is to end an erroneous award, reason code 39 should be used as the no pay date reason code on the 435 screen and the no pay date should be one day after the ending date of the last period paid.
- (d) For an award that is no longer running, no corrective action is needed in BDN but documentation of the error should be made as follows:
 - (1) The case manager must document the administrative error and proposed award correction on a memo for the VR&E Officer's signature, citing 38 U.S.C. 5112(b)(10) and 38 CFR 21.7135(v)(2).
 - (2) The memo must be filed down on the left side of the Veteran's CER folder with any related BDN screens and the award correction should be made promptly after VR&E Officer review and approval.

2. Common Administrative Errors

Common administrative errors include but are not limited to the following examples:

- (a) VR&E staff applies regulations incorrectly on rate of pursuit or dependents.
- (b) VR&E staff makes data entry errors.
- (c) VR&E staff possesses certification of reduced or terminated attendance but unreasonably delays amending the award.

It is not considered to be an administrative error when an overpayment results from the school or Veteran failing to provide timely notification of enrollment change. Nor is it in an administrative error when an award is processed using incorrect enrollment information provided by the training facility or the Veteran. In these cases, follow the procedures for providing due process outlined in M28R.III.C.2.

8.13 Apportionment

In accordance with 38 U.S.C. 5307, any subsistence allowance payable to a

Veteran participating in the VR&E Program may be apportioned if one of the following conditions is met:

- The Veteran is not living with his/her spouse.
- The Veteran's dependent(s) is not in his/her custody.

Subsistence allowance may be apportioned between a Veteran and his/her dependent(s) as long as it does not cause the Veteran undue hardship. Care must be exercised to ensure that the Veteran's successful pursuit of his/her vocational goal will not be impaired by granting the apportionment. When a claim for an apportionment of a Veteran's subsistence allowance is received, VA must develop for evidence, decide whether to grant or deny the apportionment claim and notify the Veteran and dependent(s) of the decision. Guidelines on apportionment can be found in 38 CFR 21.330, 38 CFR 3.450, 38 CFR 3.451, 38 CFR 3.458, 38 CFR 3.400(e) and M21-1MR.III.v.3.

a. Requirements

1. Eligibility

In order for a dependent(s) to receive an apportionment of a Veteran's subsistence allowance, the dependent(s) must file a claim for an apportionment and meet one of the following eligibility requirements:

- Demonstrate a need, per the requirements of 38 CFR 3.451.
- Live apart from the Veteran and not receive a reasonable level of support, as stated in 38 CFR 3.450.

If the requirements for eligibility above are met and the Veteran will not suffer undue hardship, VA may authorize an apportionment of the Veteran's subsistence allowance.

2. Veteran's Subsistence Allowance Not Apportionable

A Veteran's subsistence allowance must not be apportioned in the following situations:

(a) Benefit Too Small

The total benefit payable to the Veteran is so small that it does not allow payment of a reasonable amount to a dependent(s) (38 CFR 3.458 (a)).

(b) Infidelity

The spouse of the Veteran has been found guilty of conjugal infidelity by a court having proper jurisdiction (38 CFR 3.458 (b)).

(c) Spouse Remarried

The spouse of the Veteran has lived with another person and held himself/herself out openly to the public to be the spouse of the other person (38 CFR 3.458 (c)).

(d) Child Adopted Out of Family

The evidence establishes that the Veteran is the natural parent of a child legally adopted outside of the Veteran's family. In this situation, VA will apportion in favor of the child only the additional amount of subsistence allowance payable on account of the existence of the child. The Veteran is not entitled to the additional amount of subsistence allowance payable for the child unless the Veteran is contributing to the child's support (38 CFR 21.330 (c)).

(e) Veteran Convicted of a Felony

The subsistence allowance of a Veteran must not be apportioned if the Veteran is incarcerated because of a felony conviction (38 CFR 21.330(d)).

(f) Child Enters the Military

The Veteran's child under age eighteen enters active military service. Any additional money will be paid to the Veteran until the child's eighteenth birthday, unless the child is included in an existing apportionment to an estranged spouse. In this situation, make no adjustments in the apportioned award to the estranged spouse based on the child's entry into military service.

b. Evidence

When a claim is received for apportionment, the following evidence must be developed to make a decision as to whether the apportionment is appropriate (VAF 21-0788 may be used for this purpose):

1. Evidence from the Veteran

- (a) A statement as to the amount and frequency of any support or contributions being made to or on behalf of the dependent(s), or an

explanation of the reasons for non-support if the Veteran is not making any contributions.

- (b) If there is conflicting information between the Veteran and the dependent, proof of the Veteran's contributions of support such as canceled checks or any receipts.
- (c) A statement of net worth, annual income and expenses.
- (d) An explanation of any hardship that would be created or experienced if the apportionment was made.

2. Evidence from the Dependent

- (a) A statement of net worth, annual income and expenses.
- (b) An explanation of any hardship that would be created or experienced if the apportionment was not made.

3. Notice of Proposed Adverse Action

When evidence is requested from the Veteran and the dependent(s) requesting apportionment, he/she must be notified of the following information:

(a) The Veteran

The Veteran must be notified of the following:

- That he/she has thirty days to present evidence and that a decision will be made after thirty days on the basis of the evidence of record, unless an extension is requested (for a required prior notification, VA must allow at least thirty days for the Veteran to respond before finalizing the adverse action; if circumstances warrant, VA may exceed this thirty day period, but the due process may not exceed sixty days).
- The statutory authority for granting an apportionment (38 U.S.C. 5307).
- The fact that his/her award may be reduced by a monthly amount if the apportionment is authorized.

(b) The Dependent(s)

The dependent(s) must present the evidence within thirty days and

that a decision will be made after thirty days on the basis of the evidence of record, unless an extension is requested.

c. Procedures

1. Determining to Grant or Deny an Apportionment

A determination to grant or deny an apportionment must be based on an evaluation of the evidence. See the following table to determine when to make a decision:

If the dependent(s) does the following:	Then make an administrative decision to do the following:
Responds within thirty days, but the evidence does not demonstrate a hardship on the part of the dependent(s)	<ul style="list-style-type: none"> • Deny the pending claim • Send notification of the decision
Does not respond within thirty days and/or the evidence does not demonstrate hardship on the part of the dependent(s)	<ul style="list-style-type: none"> • Deny the pending claim • Send notification of the decision
Furnishes evidence of a hardship but payment of an apportionment will create a hardship for the Veteran based on one of the following: <ul style="list-style-type: none"> • The evidence received if both parties respond within thirty days • The evidence of record after the expiration of thirty days 	<ul style="list-style-type: none"> • Deny the pending claim • Send notification of the decision

<p>Furnishes evidence of a hardship and the evidence of record does not demonstrate a hardship on the part of the Veteran based on one of the following:</p> <ul style="list-style-type: none"> • The evidence received if both parties respond within thirty days • The evidence of record after the expiration of thirty days 	<ul style="list-style-type: none"> • Grant the pending claim • Send notification of the decision (refer to section 8.12.c.4 of this chapter for guidance)
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2. Determining the Amount of an Apportionment

When determining the amount of an apportionment under 38 CFR 3.451, consideration must be given to the following factors:

- The amount of VA benefits payable.
- The other resources and income of the Veteran and the dependent(s) claiming an apportionment.
- The special needs of the Veteran and the dependent(s) claiming an apportionment.

If a decision to grant an apportionment is made, VR&E staff must determine the amount awarded from an equitable assessment of any hardship or demonstrated need on the part of the Veteran and the dependent(s). The amount apportioned should be consistent with the total number of dependents involved. An apportionment of more than fifty percent of the Veteran's subsistence allowance would constitute undue hardship on him/her while apportionment of less than twenty percent of his/her subsistence allowance would not provide a reasonable amount for a dependent(s) claiming apportionment (38 CFR 3.451). When the Veteran is receiving additional subsistence allowance for a dependent(s) and the evidence shows he/she is not reasonably contributing to their support, hardship for the Veteran would not normally result from apportionment of the additional amount payable for the dependent.

3. Effective Date

In accordance with 38 CFR 21.330, the effective date of apportionment must be as prescribed in 38 CFR 3.400(e). If a decision to grant an apportionment is made, an overpayment may be created because VA will pay the dependent back to the effective date of the Veteran's subsistence allowance award. In accordance with 38 CFR 3.400(e), the effective dates of apportionment are as follows:

- (a) On original claims, in accordance with the facts found.
- (b) On other than original claims, apportionment will be effective the day following the date of last payment of the Veteran's subsistence allowance, if a claim for apportionment is received within one year after the Veteran's subsistence allowance.

It should be noted that for the purpose of effective date under 38 CFR 3.400(e), "original claim" refers to the effective date of the Veteran's subsistence award, with a presumption that an apportionment claim is received before any subsistence allowance has been paid. The effective date for other than original claims refers to the date of receipt of the apportionment claim after subsistence allowance to the Veteran has already been issued. The concept is to preclude creation of undue overpayment against the Veteran if an apportionment is authorized.

4. Notification of Apportionment Claim

Advise both the Veteran and the dependent(s) of the apportionment decision by sending a notification letter with the following information:

- The effective date of payment, if apportionment granted.
- The amount of the apportionment, if granted.
- The reasons for the decision.
- The evidence that was considered.
- The Veteran's and the dependent's right to present new evidence, request a personal meeting and have representation within a thirty day period from the date of the notification letter.
- VAF 4107, Your Rights to Appeal our Decision (see Appendix O, VA Forms).

5. Documenting the Apportionment Decision

A formal memorandum for the file is required for both favorable and unfavorable decisions on claims for apportionment. The case manager must document the decision on VAF 28-1905d and file in the center portion of the Veteran's CER folder.

6. Processing the Award

The apportioned award must be processed in BDN. Apportionments are entered in the 434 screen and the appropriate withholding is built into the award on the 435 screen. The effective beginning and end dates for withholding the apportioned amount for a dependent(s) are required entries on the 434 screen. An apportionment can be identified in the system by a Type A withholding and the use of reason code 27 (apportionment made, changed or discontinued due to separation, change in custody or change in apportionment) in BDN. Once an apportionment exists, it cannot be ended with just a dependency change. To end the apportionment, enter 0000 (zeroes) in the Apportionment field in the 434 screen. If the dependent is no longer entitled to additional benefits because of age, make sure to remove the dependent as well. A higher-level employee (VR&E Officer, Assistant VR&E Officer) must review and sign all apportioned awards. VR&E staff should check to see if Dependency Total equals Dependency This (DEP TO/TH) to determine if the apportionment is established or ended. (Refer to section 8.13.c.9 for examples of the BDN 434, 435 and 436 screens.)

(a) If the apportionment is granted, and the Veteran's award was running at the time the apportionment claim was received, then take the following steps:

- Retroactively adjust the award of the Veteran effective the first day of the month after the date the apportionment claim was received, creating any resulting overpayment against the Veteran.
- Make the apportionment award for the dependent(s) effective from the first day of the month after the date the apportionment claim was received.

(b) If the apportionment is granted, and the apportionment claim was received with or before the Veteran's original claim, then take the following step:

- Pay the apportionment on the basis of the facts found (it should be noted that this may be from same effective date as the Veteran's

award).

(c) If the apportionment is granted, and the apportioned amount is greater than the withheld amount, then take the following steps:

- Pay the apportionment for the amount previously withheld from the effective date.
- Determine the additional amount to be apportioned, as well as the effective date.
- Send the Veteran an adverse action letter covering the additional amount.

7. Adjusting the Veteran's Award Due to the Loss of a Dependent(s)

(a) In most situations, VA uses the end-of-month rule when adjusting a Veteran's award to reflect loss of a dependent. Under this rule, VA continues to pay the Veteran for the dependent through the end of the month in which the event that resulted in the loss took place. Accordingly, the effective date of the reduced rate is the first day of the month following the date of loss. An apportionment must be discontinued when the Veteran's award is affected by either of the following:

- Discontinued for any reason, or
- Reduced to a rate that would not support a continuation of the apportionment without creating an undue hardship on the Veteran.

(b) Loss of a Spouse

This rule applies to loss of a spouse due to one of the following reasons:

- Divorce
- Annulment
- Death

Discontinue the apportionment of a Veteran's award to his/her spouse on the first day of the month following the month in which a divorce becomes final or an annulment decree is issued.

(c) Loss of a Child

This rule also applies to loss of a child due to one of the following reasons:

- Marriage
- Death
- Discontinuance of school attendance

Follow the instructions in the table below when a child dies, marries, or stops attending school.

If the child does the following:	Then make an administrative decision to do the following:
Dies, and is the only apportionee	<ul style="list-style-type: none"> • Discontinue the apportionment for the child effective the first day of the month of death, and • Remove the child from the Veteran's award effective the first day of the month following death
Marries, and is the only apportionee	<ul style="list-style-type: none"> • Discontinue the apportionment for the child effective the first day of the month of marriage, and • Remove the child from the Veteran's award effective the first day of the month following marriage
Stops attending school, and is the only apportionee	<ul style="list-style-type: none"> • Discontinue the apportionment, and • Remove the child from the Veteran's award effective the first day of the month following the date school attendance ended
Marries, dies, or stop attending school, and is included as a dependent on a spouse-apportionee's award	Reduce the spouse-apportionee's award effective the first day of the month following <ul style="list-style-type: none"> • Marriage • Death, or • The date the child stopped attending school

8. Notifying the Veteran/Dependent When Adjusting an Award

The case manager must advise both the Veteran and the dependent(s) of the decision to adjust the award, and furnish them with an adverse action

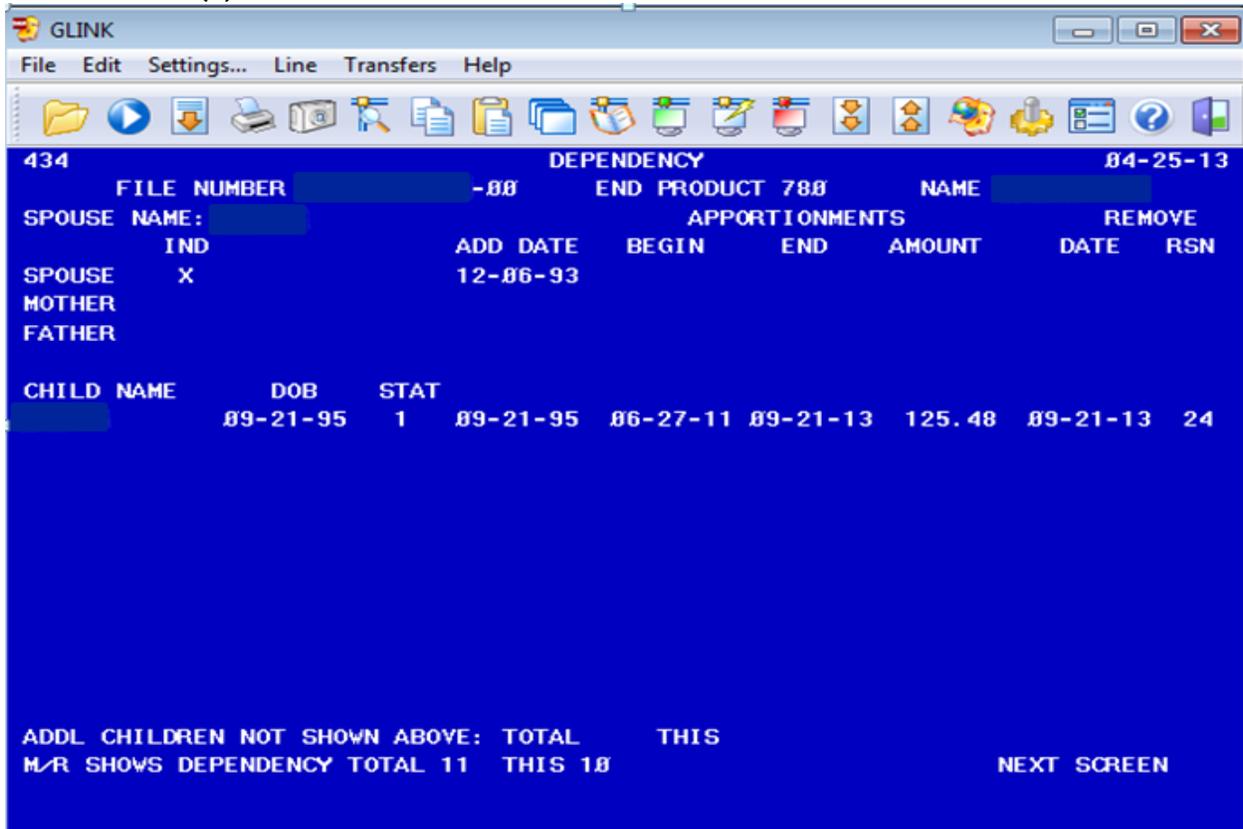
letter with the following information, as applicable:

- The effective date of the adjustment.
- The amount of the apportionment.
- The reasons for the decision.
- The evidence that was considered and the right of the Veteran and dependent to present new evidence, request a personal meeting and have representation.
- The Veteran's/Dependent's right to present new evidence, request a personal meeting and have representation within a thirty day period from the date of the notification letter.
- VAF 4107, Your Rights to Appeal our Decision.

9. BDN Screens

The following screens demonstrate how apportionment information is entered in BDN:

(a) 434 Screen



NOTE: To add dependents and withholding periods and amounts, enter details on the line with the dependent who is entitled to the apportionment (example provided is child).

(b) 435 Screen

435 CHAPTER 31 AWARD 84-25-13

FILE NUMBER ██████ -88 END PRODUCT 788 NAME ██████

STOP SUSPEND RESUME DATE LAST PAID 84-28-13

REMAIN ENT 88-87 ENT USED 24-14 TERM DATE 85-86-85 ENT CODE 88

PAY STATUS E-TERMINATED IWRP CODE 162 CASE STATUS REHAB TO EMP

FACILITY ██████ SER EMP HDCP Y DEVELOP MIT CIRC

EARLIER 12 LATER 88

EFFECTIVE NO PAY SPEC DEP TYP TRNG HRS WITHHOLD

MR	DATE	RSN	DATE	RSN	SPEC	RATE	DEP	TYP	TRNG	HRS	T NO	WITHHOLD	AMT
MR	18-81-12	37	18-28-12	61		729.88	11/18	B	4	S 86	A	125.48	
MR	18-29-12	68	12-23-12	61		729.88	11/18	B	4	S 86	A	125.48	
MR	81-87-13	68	83-83-13	61		729.88	11/18	B	4	S 86	A	125.48	
MR *	83-84-13	68	84-28-13	61		382.94	11/18	B	2	S 83	A	125.48	
	85-81-13	68	86-26-13	61			11/18	b	2	s 83	a		

NEXT SCREEN

NOTE: Determine that Dependency Total does not equal Dependency This (DEP TO/TH) since that is the indicator that an apportionment is in place. The amount will auto-generate by entering GAD in the Next Screen field.

(c) M36 Screen

GLINK

File Edit Settings... Line Transfers Help

M36 CH31 AWARD DATA 84-25-13

FILE NUMBER [REDACTED] -88 NAME [REDACTED]

DATE LAST PAID 84-28-13 FACILITY [REDACTED] ENT CODE 88

EFFECTIVE DATE	18-01-12	18-29-12	01-07-13	*03-04-13
EFFECTIVE RSN	37	68	68	68
NO PAY DATE	18-28-12	12-23-12	03-03-13	04-28-13
NO PAY RSN	61	61	61	61
SPEC CODE				
MONTHLY RATE	729.88	729.88	729.88	382.94
DEPEND TOT/THS	11/18	11/18	11/18	11/18
HOURS TYPE/NO	S/86	S/86	S/86	S/83
TRAINING TYPE	B	B	B	B
TRAINING TIME	4	4	4	2
WITHHOLD TYPE	A	A	A	A
WITHHOLD AMT	125.48	125.48	125.48	125.48
JRNYMN MONTHLY WAGE				
TRAINEE MONTHLY WAGE				
FACILITY				

EARLIER PERIODS 12 LATER PERIODS 88

NEXT SCREEN

8.14 Electronic Funds Transfer (EFT)

U.S. Department of Treasury Regulation (31 CFR 208) requires that recipients of Federal payments receive payment by Electronic Funds Transfer (EFT).

According to Disbursements and Collections Requirement, Volume VIII - Chapter 2, if a Veteran is currently receiving a Federal payment by check or has just become eligible to begin receiving a Federal payment, he/she may choose to receive the payment in one of the following ways:

a. Direct Deposit

A Veteran may receive payment by direct deposit through the financial institution of his/her choice. Direct deposit is a safe, convenient and reliable way to receive a Federal payment electronically through a financial institution. A financial institution can be a bank, credit union, savings bank, or thrift. A Veteran must provide VA with his/her local bank account information in order

to enroll in the Direct Deposit program. It should be noted that subsistence allowance payments are not connected to compensation and pension payments. This means that the Veteran must set up direct deposit for each payment separately.

When a Veteran submits a request to receive subsistence allowance payments by direct deposit, the case manager should take the following steps:

- (a) Obtain accurate account information from the Veteran. VAF 24-0296 may be used for this. The information may also be obtained by telephone. Email requests should not be encouraged due to confidentiality issues since the Veteran must submit bank account information. The Veteran may need to submit a copy of a voided check or deposit slip. (If the Veteran wants to use the same account information that is already in Share, this information can be obtained from the Payment History Inquiry [TINQ] screen.)
 - (b) Enter the bank account information in BDN under the Veteran's claim number or SSN using the CADD command button. If multiple options show up, put an "x" next to CH31 and hit Enter.
 - (c) On the CADD screen (601) tab to "Document" and type "y."
 - (d) Tab to "CHG" and type "x."
 - (e) Tab to "Routing" and enter the first 8 digits of the financial institution's routing number provided by Veteran. The 9th digit of the routing number will overflow onto the next line marked "Check Digit." (The check digit is used to verify the routing number.)
 - (f) Tab to "Type Acct" and enter "c" for checking, or "s" for savings. (If unsure, enter "c".)
 - (g) Tab to "Acct No" and enter the account number provided by the Veteran.
 - (h) Make sure that the account information is accurate.
 - (i) Press the Enter key to save the new information in the system and complete the process.
- b. Electronic Transfer Account (ETA)

A Veteran may receive some Federal payments through a basic, low-cost account called an ETA. If a Veteran receives a Federal benefit, wage, salary

or retirement payment, he/she is eligible to open an ETA. This account is available for a low monthly fee at many financial institutions. Like Direct Deposit, an ETA is a safe, convenient and reliable way to receive a Federal payment through a financial institution. To check for availability, VA should direct Veterans to the ETA website at <http://www.fms.treas.gov/eta> for a list of providers in his/her respective area.

c. Direct Express Card

A Veteran may receive some Federal payments by Direct Express Card. (Currently the Direct Express Card is not available as an option to receive subsistence allowance.) The Direct Express Card is designed for people who receive Federal benefits such as Social Security and Supplemental Security Income (SSI). Unlike other prepaid debit cards, this card offers cardholders free access to their money. There is no sign-up fee, and no bank account or credit check is required to enroll. For more information about the Direct Express card VA should direct Veterans to Treasury's Web site (<http://www.fms.treas.gov/directexpresscard/index.html>).

d. Temporary Check

A Veteran may temporarily receive a check. If receiving payment electronically would cause a hardship, a Veteran may be permitted to receive his/her payment by check for an interim period. The U.S. Department of Treasury will contact the Veteran within 4 months to discuss options for receiving payments in the future, including how to apply for a waiver from the EFT requirement. For more information or to request a waiver application, VA should direct Veterans to call 800-333-1795.

8.15 Manually Charging Entitlement

In accordance with 38 CFR 21.79, charges for entitlement usage are based upon the principle that a Veteran who pursues a rehabilitation program for one day should be charged one day of entitlement. VA must make a charge against entitlement based on the following:

- Total elapsed time (one day of entitlement for each day of pursuit) if the Veteran is being provided a rehabilitation program on a full-time basis.
- A proportionate rate of elapsed time if the Veteran is being provided a rehabilitation program on a three-quarter, one-half or less than half-time basis.

Veterans may only be paid a subsistence allowance at the one-quarter time rate in independent living or extended evaluation programs. In rare situations, Veterans may attend other training on a less than half-time basis without

receiving a subsistence allowance. The case manager must manually deduct entitlement at the one-quarter time rate for Veterans in any type of training when they are pursuing at a less than half-time rate since these Veterans do not receive subsistence allowance.

NOTE: Elapsed time is the enrollment period for training (IHL or Non-College Degree [NCD]) or services provided through enrollment at a rehabilitation facility where room and board is being paid in lieu of subsistence allowance.

a. Complete the 431 Screen

The screen below displays the BDN Chapter 31 Basic Eligibility Data – 431 screen for use in updating eligibility or entitlement. Because entitlement is not automatically charged through subsistence allowance award processing when a Veteran is attending training on a less than half-time basis, an eligibility/entitlement update GED is required to charge entitlement to the BDN Master Record (the same functionality applies to Subsistence Allowance Module [SAM]). The award and enrollment certification is the same as a BDN award for payment (see the VA-ONCE certification). All training at less than half-time is charged at the quarter-time rate.

The steps for charging entitlement to a record when a Veteran is attending training on a less than half-time basis are as follows:

- Calculate number of months and days (the proportionate rate of elapsed time is the total enrollment period X .25, e.g., 126 days X .25 = 31.5 or 01-02 days).
- Use BDN Eligibility/Entitlement Update functionality to process this GED type.
- Enter "X" in the Elig/Ent Update field.
- Enter mm-dd calculated in the first step above in the "Other" field.
- Validate or enter Initial Rating Notification Date if applicable.
- Proceed to 432 screen – recalculated creditable Ch31 entitlement occurs.

NOTE: Entitlement months must be charged against Active Duty Servicemembers for time spent in training (i.e., full-time, three-quarter-time, half-time, or less than half-time depending on enrollment) even though they do not receive subsistence allowance.

GLINK

File Edit Settings... Line Transfers Help

431 CHAPTER 31 BASIC AND ELIGIBILITY DATA 89-11-13

FILE NUMBER -88 END PRODUCT 295 NAME

ORIGINAL APPLICATION REOPENED APPLICATION ELIG/ENT UPDATE X

EDUC LEVEL AT APP 12 BIRTH DATE 86-23-59

PHONE NUMBER SEX M

SSN

SVC DATA EOD RAD IN-SVC PRIOR VA TRNG: CH38

87-88-77 89-13-79 (MONTHS-DAYS) CH32

CH35

OTHER 88-81

TOTAL 88-81

INIT RATING NOTIFICATION DATE 18-18-12

CREDITABLE 31 ENT

MED INFEAS PERIOD TO CH31 ENT USED PRE TARGET

DEFERRAL PERIOD TO TEMPORARY ENTITLEMENT

ELIG TERMINATION DATE 18-19-24 CH38/32 ELIG AT APP B

CH35 ELIG AT APP N

RESTORED PRIOR ENT DEBITED PRIOR ENT EXTEND ENT

NEXT SCREEN

INQUIRY ONLY - NO DATA ENTRY ACCEPTED

b. Complete the 432 Screen

The screen below displays the BDN Chapter 31 Basic Eligibility Data – 432 screen for use in updating eligibility or entitlement. The following necessary fields must be completed on the 432 screen:

- Enter a facility name or facility code in the “Facility Name” field.
- Enter applicable type of training (i.e., A=graduate; B=undergraduate).
- Enter course name.
- Enter amount of entitlement used (from 431 screen).
- Enter “OTH” in Benefit Type.
- Enter “S” or “U” (Satisfactory or Unsatisfactory).
- In Next Screen field, type GED.
- Authorize and sign the GED tear sheet.
- File in CER folder.

The screenshot shows a window titled "GLINK" with a menu bar containing "File", "Edit", "Settings...", "Line", "Transfers", and "Help". Below the menu bar is a toolbar with various icons. The main area of the window has a blue background with white text. At the top, it displays "432" and "CH31 OTHER ELIGIBILITY/TRAINING HISTORY" followed by "89-11-13". Below this, it shows "FILE NUMBER", "-00", "END PRODUCT 295", and "NAME". Further down, it lists "DELIMITING DATE AT APPLICATION" and "REMAINING ENTITLEMENT AT APPLICATION". A table is displayed with the following data:

FACILITY NAME	TRAINING TYPE	COURSE NAME	ENTITLEMENT USED	BENEFIT TYPE	TRAINING STATUS
IDES	b	Engineering	00-01	oth	s

Below the table, it says "ADDITIONAL TRAINING OVER 5". At the bottom right, it says "NEXT SCREEN ge d".