§ 726.6 Will initiate action to appoint a trustee, provided no notice of appointment of a committee, guardian, or other legal representative by a State court of competent jurisdiction has been received by DFAS–CL(CGA).

[73 FR 64207, Oct. 29, 2008]

§ 726.6 Travel orders.

The Chief of Naval Personnel or the Deputy Commandant, Manpower & Reserve Affairs, may issue travel orders to a member to appear before a competency board convened to determine whether the member is mentally capable of managing his financial affairs. In the case of permanently retired members, travel will be at no cost to the Government.

[73 FR 64207, Oct. 29, 2008]

§ 726.7 Status of pay account.

Upon notification by the commanding officer of the medical facility preparing the board report that a member has been declared mentally incapable of managing his financial affairs, DFAS–CL(CGA) will suspend the member’s pay. Thereafter, DFAS–CL(CGA) or his designee will direct payment of monies to:

(a) The appointed trustee;
(b) The legal representative appointed by a State court of competent jurisdiction; or
(c) Directly to the member following a determination the member is capable of managing his financial affairs.

[73 FR 64207, Oct. 29, 2008]

§ 726.8 Emergency funds and health and comfort.

Until a trustee is appointed, DFAS–CL(CGA) may appoint the member’s designated next of kin to receive emergency funds equal to, but not to exceed the amount of pay due the incompetent member for a period of one month. These funds will be deducted from the member’s pay account and will be used for the benefit of the member and any legal dependents.

[73 FR 64207, Oct. 29, 2008]

§ 726.9 Reports and supervision of trustees.

(a) Accounting reports. The trustee designated by DFAS–CL(CGA) will submit accounting reports annually or at such other times as DFAS–CL(CGA) or his designee directs. DFAS–CL(CGA) will provide forms to be used by trustees for the required accounting report. The report will account for all funds received from the Navy or Marine Corps on behalf of the member. When payments to a trustee are terminated for any reason, the trustee will submit a final accounting report to DFAS–CL(CGA). Upon approval of the final accounting report, the trustee and the surety will be discharged from liability.

(b) Failure to submit a report and default. If an accounting report is not received by the date designated by DFAS–CL(CGA) or an accounting is unsatisfactory, DFAS–CL(CGA) will notify the trustee in writing. If a satisfactory accounting is not received by DFAS–CL(CGA) within the time specified, the trustee will be declared in default of the trustee agreement and will be liable for all unaccounted trustee funds. If a trustee is declared in default of the trustee agreement, DFAS–CL(CGA) will terminate payments to the trustee and, if necessary, a successor trustee may be appointed. The trustee and surety will be notified in writing by DFAS–CL(CGA) of the declaration of default. The notification will state the reasons for default, the amount of indebtedness to the Government, and will demand payment for the full amount of indebtedness. If payment in full is not received by DFAS–CL(CGA) within an appropriate period of time from notification of default, the account may be forwarded to the Department of Justice for recovery of funds through appropriate civil action.

[73 FR 64207, Oct. 29, 2008]