

OP/CPD
5E65



Department Notice

May 7, 1982

TO KEY PERSONNEL

Designation

Effective May 3, 1982, Ms. Dorothy Sampas assumed the functions of Acting Director for the Office of Position and Pay Management in the Bureau of Personnel. Ms. Sampas is located in Room 4423 and may be reached on extension 25591.

State Dept. review completed



Department Notice

May 7, 1982

TO ALL EMPLOYEES
STATE, IDCA, USICA

This Notice is intended for
3 employees. Please read
and pass on, thank you.

Advance of Pay

Effective April 7, 1982, the five Foreign Affairs Agencies implemented the Advance of Pay regulation for all employees assigned to a post in a foreign area.

The implementing regulations for this new allowance were negotiated among the Foreign Affairs Agencies, The American Foreign Service Association (AFSA) and The American Federation of Government Employees (AFGE) Local 1812. The applicable regulations (3 FAM 390 and 4 FAM 548) are quoted below for your information.

Quote, begin text:

3 FAM 390 TL:PER-523
Date: April 7, 1982

UNIFORM FOREIGN AFFAIRS REGULATIONS

(These regulations apply to State/AID/USICA/Agriculture/Commerce)

390 ADVANCE OF PAY UPON ASSIGNMENT TO A POST IN A FOREIGN AREA

391 Authority

391.1 Legal

Section 2310 of the Foreign Service Act of 1980 amended Subchapter III of Chapter 59 of Title 5, United States Code, to add a new section 5927. That section provides that up to three months' pay may be paid in advance to an employee upon the assignment of the employee to a post in a foreign area.

391.2 Regulatory

Chapter 850 of the Standardized Regulations (Government Civilians, Foreign Areas) (GC,FA), contains general regulatory authority.

(Continued on reverse)

-2-

392 Making Advance Payment

For State, USICA, Agriculture, and Commerce, 4 FAM 548, "Advance of Pay," provides the policy and procedures governing advances of pay upon assignment to a post in a foreign area. For AID, see Handbook 19, chapter 14. Unquote, end text.

Quote, begin text:

4 FAM 548 TL:FIN-268

Date: April 7, 1982

UNIFORM FOREIGN AFFAIRS REGULATIONS

548 Advance of Pay548.1 Purpose

This section provides the policy and procedures governing advances of pay upon the assignment of an employee to a post in a foreign area.

548.2 Authority

This section applies to the following agencies: State/AID/USICA/FAS/Commerce. 5 U.S.C. 5927, as established by the Foreign Service Act of 1980 (Public Law 96-465, dated October 17, 1980), provides as follows:

"Up to three months' pay may be paid in advance to an employee upon the assignment of the employee to a post in a foreign area."

548.3 Definitions

a. "Employee" means an individual employed in the civilian service of a government agency (including Chiefs of Mission, and members of the Foreign Service of the United States) who is:

- (1) A citizen of the United States;
- (2) Officially assigned to a foreign area;
- (3) Receiving basic compensation; and
- (4) Eligible for allowances or differential.

-3-

- b. "Foreign area" means any area (including the Trust Territory of the Pacific Islands) situated outside the United States, the Commonwealth of Puerto Rico, and the possessions of the United States.
- c. "Pay" means current salary at time of request; that is, the basic compensation of an employee exclusive of all allowance, differentials, or other additional compensation. In this instance, it is the net compensation (gross pay minus mandatory deductions) covering a bi-weekly pay period.
- d. "Post" means the place designated as the official duty station of the employee, regardless of whether the employee is detailed elsewhere or resides at another place with the authorization or approval of the head of the agency.
- e. "Up to 3 months" means not more than 6 bi-weekly pay periods.

548.4 Issuing Advance of Pay

For State/USICA/FAC/Commerce, the following procedures apply (for AID see Handbook 19, chapter 14):

a. Requesting an Advance of Pay

An employee should submit Form JF-55, Request and Voucher for an Advance of Pay, in a time frame that will allow for payment by U.S. Government check on the date required. The request may be initiated upon receipt of travel orders, but, normally not more than 45 days prior to the employee's departure to, or not more than 60 days after arrival at the overseas assignment. The request (original and three copies) will be signed by the employee, who should supply his/her complete postal mailing address for the check, social security number, and travel order number. A copy of the travel orders assigning the employee to a post in a foreign area will support the request. In cases where orders are not received 45 days prior to planned departure, the travel authorization number, will be provided by the agency. The request will contain the following statement: "Repayment of this advance is to be made by payroll deductions. The full advance will be repaid in not more that 18 pay periods. I will maintain other voluntary deductions such as allotments in amounts so as not to delay repayment of this advance." Employees may elect a repayment schedule of less than 18 pay periods. (See Exhibit 548.4a)

-4-

b. Calculation of Advance of Pay

Maximum advance of pay for which an employee is eligible is calculated on the basis of the employee's base bi-weekly salary minus mandatory deductions provided repayment schedule can be met. Using the current earnings statements of 2 employees, the following data is extracted.

	Employee X	Employee Y
(1) 80 hours base pay (excludes differentials allowances and premium pay)	\$1,100	\$1,100
(2) Less mandatory deductions (retirement, Federal income tax, life insurance, etc.)	-350	-350
(3) Net pay before allotments	\$ 750 ¹	\$ 750 ¹
(4) Voluntary allotments on file	-100	-550
(5) Net pay	\$ 650	\$ 200

¹Ceiling of advance would be 6 times \$750 or \$4,500.

In above examples, ceiling for advance of pay for both employees would be based on 6 times line 3 (6 times \$750 = \$4,500). Employees may request an advance of less than ceiling. Repayment of total advance must be made in 18 pay periods or less. The following illustrative schedule shows advance and bi-weekly repayment an employee may consider provided repayment schedules can be met.

<u>Amount of Advance of Pay Request</u>	<u>Repayment Bi-Weekly Over 18 Pay Periods²</u>
\$4,500	\$250
4,050	225
3,600	200
3,150	175
2,700	150
2,250	125
1,800	100
1,350	75

²Repayment may be scheduled in less than 18 pay periods.

-5-

In Summary: Employee X could receive a maximum advance of \$4,500. Repayment over 18 pay periods would be at the rate of \$250 per pay period. (Employee X can easily support repayment from take home pay line (5)).

In Summary: Employee Y who maintained voluntary allotments of pay (line (4)) totalling \$550, may not request an advance that would exceed repayment ability of \$200 per pay period (line (5)). Schedule above shows advance of \$3,600 carries repayment schedule of \$200 bi-weekly over 18 pay periods which would be ceiling employee Y could request. However, if employee Y elects to reduce voluntary allotments, a higher advance could be requested up to ceiling of \$4,500 (same as employee X).

c. Processing an Advance of Pay Request

(1) Employees transferring from assignment in the United States (domestic assignment) to a post in a foreign area, should forward request with required documentation (see section 548.4a) to:

State: M/COMP/FO (Payroll Office)
Room 6701, SA-15

USICA: Chief, Foreign Service Personnel
MGT/PF
1776 Pennsylvania Avenue, NW
Washington, DC 20547

FAS: USDA - Foreign Agricultural Service
Fiscal Operations Branch, MSD
Washington, DC 20250

Commerce: Director, Office of Financial Operations
Office of The Secretary
Room 6823, COMM
Department of Commerce
Washington, DC 20230

(2) Employees transferring from a post in a foreign area to another post in a foreign area or, requesting advance of pay upon arrival at a post in a foreign area, should submit required documentation in accordance with instructions of the payrolling office servicing the post where the application is made.

-6-

(3) Payroll and/or Budget and Fiscal personnel examine documents to verify completeness and correctness of data in the request including computation of amount to be advanced, payback and accounting data. Upon completion of verification process, the request document will be certified for payment.

The advance is charged to the appropriation from which the employee's regular salary is paid. The allotment to be charged: for State, central allotment 7097; for USICA, organization cost center 1090. FAS, organization code 0899.

d. Requesting Advance Prior to Liquidating a Current Advance of Pay

An employee who has an outstanding balance from a prior advance of pay may be issued a new advance when, upon arrival at the new post in a foreign area, the employee is reassigned to another post in a foreign area before full repayment of a previous advance of pay. The total unpaid balance plus the new advance may not exceed 6 pay periods.

548.5 Collecting Advance of Pay

a. Advance pay is collected by bi-weekly deductions from an employee's salary. The deduction from salary will begin on the pay day which falls during the second full pay period following the pay period in which the advance check is issued. There shall always be one full pay period between the pay period in which the check is issued and the pay period in which the first deduction occurs and in no case will the deduction begin earlier than 24 days from the date of issuance of the check for the advance.

b. Deductions from an employee's salary for advance of pay are credited to the advance pay account (appropriation, allotment, travel authorization number and social security number) and reported to Washington monthly in the required format for other accounting data, using SF-1221, FS-478, or FS-477. Regional Administrative Management Centers must provide detailed collection data on the monthly tape to serviced agencies to facilitate direct input to the accounting system.

c. In accordance with the order of precedence for payroll deductions, prescribed by the General Accounting Office, advance of pay is considered to be an indebtedness due the United States and deductions therefore precedes other voluntary deductions, including allotments and assignments of pay (section 551.5).

d. Should an assignment to a post in a foreign area be canceled at the convenience of the agency, the employee may repay the advance in the normal repayment schedule.

-7-

Should assignment to a post in a foreign area be canceled at the convenience of the employee, the outstanding balance shall be repaid in full immediately to the applicable agency office cited in section 548.4c(1).

e. In the case of non-issuance of a paycheck, a lump-sum retroactive salary payment will be made. The deduction made for each pay period included in the retroactive salary payment shall not exceed the normal payback amount. In the event that the advance is not deducted, the nondeducted amount will be viewed as an overpayment and repayment will be made in accordance with Comptroller General decisions and operative Agency regulations: For the Department of State 4 FAM 488; for AID Handbook 19, Chapter 14; for USICA MOA VII, Section 470. For Agriculture USDA 7AR696.

548.6 Fiscal Control and Reporting

Each agency is responsible for establishing accounts receivables on the basis of disbursements charged to the centrally controlled account supported by a signed copy of the Advance of Pay Request (APR). Accounting transactions must be reported to serviced agencies monthly in accordance with procedure established in sections 200 and 300 (SF-1221, FS-478, FS-477, or OF-257).

For disbursements, RAMC or non automated posts shall submit an FS-477(M) or OF-257 supported by one signed copy of the APR, see reference section 250. Collection of advance of pay is shown on the FS-477 and in the automated payroll system.

548.7 Transfer of Pay Authority

Upon transfer of authority to pay, the losing payroll office reconciles the account balance and assure that the reconciled balance to be collected is included, and identified, on the authority being transferred as well as the bi-weekly deduction amount. The gaining payroll office is responsible for continuing the deductions and reporting collecting in accordance with this procedure.

548.8 Discrepancies in Advance of Pay Account

Since advance of pay accounts are centrally controlled accounts, any inquiries concerning a discrepancy in collection or account balance should be directed to the appropriate control office in the agency for response. After review of the account, the central office adjusts or instructs the paying office to make adjustment, as appropriate.

-8-

548.9 Collecting Advance Pay Under Default

In the event of default by the employee, uncollected balance of advance pay is subject to provisions of:

- a. Federal Claims Collection Act of 1966 (31 U.S.C. 952). It, codified for the Department in section 488, gives the Department responsibility for collection of claims of the United States for money arising out of its activities. Such collection action may include set-off against accrued pay, amount of retirement credit, or other amount due the employee from the Government or such other method as is provided by law.
- b. Treasury Fiscal Requirements Manual (TFRM) 6-8020.20 which provides for assessing interest and/or charge for late payment where repayment is not made in accordance with terms of the arrangement.

Unquote, end text.

JF-55 Form for applying for advance of pay is attached. Bureaus are requested to reproduce forms and keep a supply available for employees requesting advance of pay. Payrolling offices will also have a supply of forms on hand.

Criteria for receiving advance of pay for those now assigned to Washington with onward assignment to an overseas post: The following documents should be sent or handcarried to the appropriate payrolling offices listed in para 548.4c(1).

- a. JF-55 Form (original and two copies) Employee should retain copy for his/her records.
- b. Copy of latest earnings statement
- c. Copy of travel order assigning employee to a post in a foreign area.

Advance cannot be made unless all documents are submitted to the payrolling office which pays the employee.

Request for advance of pay may be made up to 45 days prior to departure to the overseas assignment or within 60 days after arrival at the new post of assignment. Employees between assignments may request advance upon arrival at the new post of assignment or may forward above mentioned documents to the post from which they are currently paid. Posts and overseas payrolling offices are prepared to assist employees requesting advances at post.