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Morale, Welfare, and Recreation

Nonappropriated Fund Personnel Policy and Procedures

*This regulation supersedes AE Regulation 215-3, 6 October 2004.

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Summary. This regulation provides policy and procedures for administering nonappropriated fund (NAF) personnel in the Army in Europe. This regulation must be used with AR 215-3.

Summary of Change. This revision—

- Deletes the authority to employ non-U.S. citizens who are not resident aliens of the United States and adds authority for non-U.S. citizens employed in NAF-funded positions under the host-nation employment system to be noncompetitively appointed under the U.S. NAF system in the same position when they acquire U.S. citizenship (paras 4c and d).
- Clarifies that delegated recruitment authority applies only to U.S. positions (para 5).
- Updates paragraph 6 to make it clearer.
- Includes a complete rewrite of living quarters allowance policy and procedures (para 7 and app A).

Applicability. This regulation applies to NAF employees in the European theater who are employed under the provisions of AR 215-3. It does not apply to NAF employees hired under host-nation conditions.

Supplementation. Organizations will not supplement this regulation without USAREUR G1 (AEAGA-C) approval.

Forms. This regulation prescribes AE Form 215-3A. AE and higher level forms are available through the Army in Europe Publishing System (AEPUBS).

Records Management. Records created as a result of processes prescribed by this regulation must be identified, maintained, and disposed of according to AR 25-400-2. Record titles and descriptions are available on the Army Records Information Management System website at <https://www.arims.army.mil>.

Suggested Improvements. The proponent of this regulation is the USAREUR G1 (AEAGA-C, DSN 375-2574). Users may suggest improvements to this regulation by sending DA Form 2028 to the USAREUR G1 (AEAGA-C), Unit 29331, APO AE 09266-9331.

Distribution. C (AEPUBS).

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1. PURPOSE

This regulation prescribes policy and procedures for managing and administering nonappropriated fund (NAF) employees who are employed under the provisions of AR 215-3 in the European theater. This regulation must be used with AR 215-3.

2. REFERENCES

a. Publications.

- (1) NATO Status of Forces Agreement (SOFA).
- (2) Department of State Standardized Regulations (<http://www.state.gov/m/a/ips/c22793.htm>).
- (3) Joint Travel Regulations (<http://perdiem.hqda.pentagon.mil/perdiem/trvlregs.html>).
- (4) DOD 1400.25-M, Department of Defense Civilian Personnel Manual (CPM).
- (5) AR 25-400-2, The Army Records Information Management System (ARIMS).
- (6) AR 215-3, Nonappropriated Funds Personnel Policy.
- (7) AR 690-300.301 with AE Supplement 1, Overseas Employment.

b. Forms.

- (1) DA Form 2028, Recommended Changes to Publications and Blank Forms.
- (2) DA Form 4985, NAF Referral and Selection List (Nonappropriated Fund Employment).
- (3) AE Form 215-3A, Nonappropriated Fund - Inservice Application.

3. EXPLANATION OF ABBREVIATIONS AND TERMS

The glossary defines abbreviations and terms.

4. EMPLOYMENT

a. As provided for in section 1 of the United States-Germany Administrative Agreement pursuant to paragraph 3 of Article 74 of the Supplementary Agreement to the NATO SOFA, violators of German or other host-nation customs and tax provisions who have been officially reported by U.S. or host-nation police authorities will be denied employment in Germany in sales organizations and clubs or have their employment terminated.

b. Resident aliens of the United States may be hired under U.S. employment conditions. In NATO countries, employment under U.S. conditions is restricted by the NATO SOFA to individuals who are nationals of a NATO country. These individuals may not be employed under U.S. employment conditions in the country of their citizenship. Non-U.S. citizens will not be assigned to any position designated as a sensitive position (AR 215-3, para 2-13m).

c. A non-U.S. citizen who acquires U.S. citizenship while employed under a host-nation employment system in a NAF position in an activity subject to this regulation may resign from such employment and be noncompetitively appointed the next calendar day to the same position under the U.S. NAF employment system. In these situations, provisions of the NATO SOFA must be observed. Pay will be set using the appropriate pay band or crafts-and-trades pay-setting policy in AR 215-3. Previous local national (LN) service is creditable for determining leave-accrual rates, length-of-service awards, and seniority under the business-based action (BBA) process. Benefits from the host-nation employment system will not transfer. Leave accumulated under host-nation employment will not transfer. The employee may request a lump-sum payment for unused leave when permitted by the host-nation employment system.

d. U.S. citizens who cannot obtain status under the NATO SOFA because they are also a citizen of or ordinarily resident in the host nation, and U.S.-resident aliens who cannot obtain status because they are not nationals of a NATO country may not be employed in NAF positions under U.S. employment conditions. These personnel may be employed in NAF-funded positions under host-nation employment conditions when permitted by the laws of the host nation. Such employment can never result in qualification and placement in LN positions funded by appropriated funds (APFs). Employment compensation is subject to U.S. income taxes and withholding. The determination of “ordinarily resident” varies by country.

e. Both U.S.- and non-U.S.-citizen off-duty military (ODM) personnel are “members of the Force” as defined in the NATO SOFA, Article I, paragraph 1a. Non-U.S.-citizen ODM personnel are not subject to the restrictions on employment under U.S. conditions that apply to other non-U.S.-citizen applicants. The restrictions on employment, however, will apply after the non-U.S.-citizen ODM individual separates from the military.

f. The employing activity must pay the tuition for Family members (defined in AR 215-3, glossary) of regular full-time pay-band employees at level NF-3 and above to attend Department of Defense Education Activity (DODEA) primary and secondary schools when DODEA does not provide tuition-free enrollment.

g. The minimum age for NAF employment is 16. Individuals who are 16 and 17 years old may work in any job for which they qualify. Pay will be set at the pay-schedule rate or within the pay-band range of the position. The following restrictions apply:

(1) Persons under 18 years old who have not completed secondary education or do not have a high school-equivalency certificate must have written consent for employment and workhours from a parent or legal guardian and school administrators, whether or not the persons are enrolled in school.

(2) Persons under 18 years old will not be assigned to any position that is hazardous or detrimental to welfare, health, or safety. The employing activity will make adequate provisions for the safety and welfare of persons under 18 years old.

(3) Persons under 18 years old will not be employed between the hours of 2400 and 0600.

(4) Persons under 18 years old will not be employed in jobs that involve dispensing or serving alcohol.

(5) The duty hours of persons enrolled in secondary school may not conflict with schoolhours. Employment may not exceed 5 workhours on schooldays or 8 workhours on non-schooldays or days preceding non-schooldays (for example, the afternoon and evening before a holiday or weekend). When school is in session, a student may not work more than 28 hours in any 1-week period. During recess and vacation periods when school is not in session, employment may be full time. When students are hired as regular part-time employees, the notification of personnel action must include a remark that work may be full time during school recess and vacation periods. Regular part-time appointments may be converted noncompetitively to regular full-time appointments when the employee completes secondary education or receives an equivalency certificate.

h. AE Form 215-3A may be used when specified in the job announcement.

5. DELEGATED RECRUITMENT

Commanders may delegate direct-recruitment authority for NAF positions to any level of management deemed appropriate. Delegated recruitment authority may be used for pay-banded employee (NF) positions at levels 1 through 3, childcare pay-band positions, and Federal Wage System positions. Delegations must be in writing. When managers exercise recruitment authority, the civilian personnel advisory center (CPAC) will not duplicate recruitment for the same positions at the same activity. AE Form 215-3A may not be used with delegated recruitment authority, because the form is designed for use with official personnel folders. Delegated recruitment authority may not be used for any position for which recruitment under the host-nation system will be undertaken.

a. The CPAC will—

(1) Inform the workforce of activities with recruitment authority and the activity points of contact.

(2) Provide management with the necessary advisory service and training to establish and maintain a recruitment program.

(3) Provide program oversight. CPACs must conduct periodic audits and keep records of audits with the official recruitment files. Recruitment files must include a complete and accurate audit trail.

(4) Retrieve management recruitment files at least once each year and incorporate them into the CPAC file system. Files must identify the activity and manager that created them.

(5) Extend employment offers to selected applicants according to referral priorities.

(6) Arrange for entrance-on-duty dates.

(7) Ensure local and national background-check requirements are met.

(8) Notify and coordinate with activities to suspend recruitment for vacancies that are needed for placement of qualified and eligible employees who are or will be pending separation under a BBA.

b. Managers with delegated recruitment authority will—

(1) Provide a copy of the written delegation to the servicing CPAC.

(2) Publicize vacancies.

(3) Receive applications and rate them according to established qualification requirements.

(4) Check applicant references. Reference checks must be documented in writing and maintained with the recruitment file.

(5) Ensure employment preferences required by law and DOD policy are granted to qualified applicants.

(6) Prepare DA Form 4985.

(7) After making a selection, submit a copy of the referral list to the CPAC to make the job offer. Managers in the hiring organization will not make job offers.

(8) Establish and maintain official recruitment files.

(9) Respond to inquiries from applicants, and keep a record of inquiries and responses in the recruitment file.

(10) Inform the CPAC of vacant positions and suspend recruitment efforts when informed by the CPAC that positions are needed for placement of qualified and eligible employees who are or will be under notice of separation because of a BBA.

6. SEVERANCE PAY

Employees who were appointed to positions in USAREUR nonappropriated fund instrumentalities (NAFIs) before 15 November 1974 and who have been in continuous service without a break of 1 workday since 15 November 1974 will have severance pay computed by the same method used for APF employees. This affects only the calculation and payment method; it does not change eligibility or creditable-service requirements of AR 215-3. In these situations, severance pay is paid every 2 weeks up to a maximum of 26 pay periods rather than in a lump sum.

7. ALLOWANCES AND DIFFERENTIALS

Except as otherwise stated in this paragraph or in the terms of a separate memorandum of agreement, foreign allowances and differentials are authorized and administered under the provisions of the Department of State Standardized Regulations (DSSR) and DOD 1400.25-M, subchapter 1250 (CPM 1250). The CPAC NAF human resources office (HRO) will determine eligibility for allowances. Employees will receive authorized allowances for which they are eligible.

a. Quarters-Allowance Eligibility. Eligibility to receive living quarters allowance (LQA) and temporary quarters subsistence allowance (TQSA) will be determined in accordance with this paragraph. The waiver provisions in CPM 1250 will not be used in the European theater, except as authorized in (3) below. (There is no other authority for granting LQA by waiver; DOD limits the use of the DSSR head-of-agency waiver authority to the circumstances specified in CPM 1250, which have not been adopted in this regulation.)

(1) LQA and TQSA are authorized for individuals recruited from the United States for NAF regular full-time positions at any pay level or grade when the period of residency in the United States immediately preceding the date of appointment was at least 12 months.

(a) On subsequent voluntary change to a pay-band level or grade below that for which initially recruited, the quarters-allowance authorization will terminate. LQA terminated under this provision will be reinstated on the effective date of appointment, without a break in service of more than 3 calendar days, to a regular position at NF-4 or above, or NF-3 or above in the 1701 occupational series in the Child and Youth Services (CYS) Program.

(b) On subsequent involuntary change to a regular position at a lower grade or pay-band level for reasons not related to conduct or performance, the quarters-allowance authorization will continue. If the position change is to a flex or part-time position requiring suspension of quarters allowance, it will be reinstated on assignment to a regular full-time position if there is no break in service of more than 3 calendar days.

(c) Individuals recruited on regular limited-tenure appointments are authorized LQA only for the term of the appointment. If the appointment is subsequently made permanent without a change in position or pay-band level, the employee will no longer be subject to this limitation. On voluntary or involuntary position change from the limited-tenure position for which LQA was initially granted, LQA may be continued if the provisions of (2) below are met. A non-time-limited employee with LQA who accepts a limited-tenure position will continue to be eligible for LQA subject to the conditions in (a) and (b) above.

(d) A waiver of the 12-month residency requirement may be granted by the garrison commander, the activity commander or director for separate activities, or the headquarters staff principal if there is clear evidence of permanent residence in the United States for a significant period that includes the entire period from when the employee applied for employment through the date he or she accepted a formal offer of employment. Requests will be initiated by the selecting official through the chain of supervision and the NAF HRO. The NAF HRO will evaluate requests to determine if the place of actual residence meets the requirements of the Joint Travel Regulations (JTR), volume 2, and forward these requests to the approving official with a recommendation for or against approval. Waivers will not be approved if there is indication that U.S. residency was established to acquire LQA in an attempt to circumvent the 12-month requirement. The JTR restriction on more than one Government-paid permanent change of station (PCS) move in a 12-month period will apply. Documentation of approved waivers must be kept in employee LQA files in the CPAC. Disagreements will be reviewed and resolved at the next management level above the approving official.

(e) Individuals who make themselves available as local applicants under job announcements that do not include areas outside of Europe will not be considered as recruited from the United States for LQA purposes.

(2) LQA and TQSA are authorized for individuals recruited outside the United States for NAF regular full-time positions if, at the time of appointment, the individual is already receiving a quarters allowance as a NAF or APF employee or as a military member. These individuals must meet basic eligibility requirements of the DSSR and are subject to the limitation in (4)(b) below. In addition, the individual must be appointed, without a break in service of more than 3 calendar days, to a position at pay-band level NF-4 or above, or NF-3 or above in the 1701 occupational series in the CYS Program. Individuals appointed without LQA because they do not meet the minimum pay-band level requirement will not gain eligibility if subsequently promoted to the required level.

(a) On subsequent voluntary change to a lower pay-band level, the quarters-allowance authorization terminates. LQA terminated under this provision will be reinstated on the effective date of appointment, without a break in service of more than 3 calendar days, to a position at pay-band level NF-4 or above, or NF-3 or above in the 1701 occupational series in the CYS Program.

(b) On subsequent involuntary change to a regular full-time position at a lower pay-band level for reasons not related to conduct or performance, the quarters-allowance entitlement continues. If the position change is to a flex or part-time position precluding payment of quarters allowance, quarters allowance will be reinstated on assignment to a regular full-time position without a break in service of more than 3 calendar days at pay-band level NF-4 or above, or NF-3 or above in the 1701 occupational series in the CYS Program.

(3) LQA and TQSA are authorized for individuals located outside the United States who are appointed to a regular full-time position designated as hard-to-fill if they meet the eligibility criteria in DSSR, paragraphs 031.12a and b, without waiver or are directed by management to relocate outside the commuting area under the provisions of CPM 1250 as authorized by the DSSR, paragraph 031.12c. LQA will be limited to the period of assignment in the position at the location for which LQA was granted.

(a) Designation of a position as hard-to-fill requires approval of the USAREUR G1 (AEAGA-C). Decisions will be based on documentation showing that worldwide open recruitment has not produced or cannot be expected to produce the necessary number or quality of candidates. When recruitment has not already been undertaken, the documentation must show that because of the uniqueness, special conditions, or location of a position, LQA will be required to attract available candidates with the required skills.

(b) The USAREUR G1 (AEAGA-C) will review designated positions each year with input from the CPACs.

(c) Positions that have been designated as hard-to-fill will be posted on the USAREUR G1 webpage.

(4) Employees receiving LQA because they met the eligibility criteria at the time of initial appointment, but who do not now meet the criteria in this regulation, are authorized to continue receiving LQA as long as they remain employed without a break in service of more than 3 calendar days. This provision applies to employees authorized to continue receiving LQA granted under the former commander's waiver authority before 1 October 1997 (glossary).

(a) This provision will not extend or reinstate payment of LQA when termination of payment has been directed by law, regulation, or policy.

(b) Employees whose LQA was based on a management-directed reassignment under a previous regulation will retain LQA as long as they remain employed in the same activity at the same duty location. This includes former APF employees who retained LQA under the provision of (2) above. The quarters allowance will continue if the employing activity merges with another or is divided into more than one, or if the employee is involuntarily reassigned to another location within the same activity. This provision will not be used to establish eligibility for an employee not already receiving a quarters allowance.

(5) APF morale, welfare, and recreation (MWR) employees who convert to NAF in their current position without any break in service under the Uniform Funding and Management Program will continue to receive LQA if they meet the basic eligibility requirements in the DSSR and are receiving LQA at the time of the NAF appointment. LQA will continue as long as the employee occupies an MWR position at the same or higher pay-band level or grade without a break in service.

(a) On subsequent voluntary change to an MWR position at a pay-band level or grade below that at which initially converted, the quarters-allowance authorization terminates unless the criteria in (1), (2), or (3) above apply.

(b) On subsequent voluntary change to a non-MWR position, LQA eligibility will be determined according to the criteria in (2) or (3) above.

(c) On subsequent involuntary change to any position at a lower pay-band level or grade for reasons not related to conduct or performance, the quarters-allowance authorization will continue under the same provisions as stated in (1), (2), or (3) above if applicable.

(6) Tables 1 through 4 illustrate the policy in this regulation. In the case of involuntary separations, continued eligibility for LQA will depend on placement without a break in service of more than 3 calendar days. Employees who elect to remain in the overseas area after separation become local hires. Documentation of LQA and transportation-agreement eligibility or noneligibility should be included in the official personnel file of all local hires, including Family members. The documentation can be important when questions about entitlements are raised after the initial appointment.

Table 1 CONUS Hire to Regular Full-Time				
If the position change is—	From—	To RFT or RFL at—	LQA will—	Applicable paragraph:
Voluntary	RFT	The same or higher pay-band level for which initially recruited,	Continue.	7a(1)(a)
		A pay-band level lower than that for which initially recruited,	Be suspended.	
Involuntary	RFT	Any pay-band level,	Continue.	7a(1)(b)
	RFL			

NOTES: 1. Although limited-tenure employees are not covered by the BBA process for LQA purposes, individuals initially recruited from the United States for non-limited tenure positions who are currently serving on regular full-time limited (RFL)-tenure positions and who change positions as a result of involuntary separation, including expiration of the term appointment, but not related to conduct or performance, will continue to receive LQA in the same manner as regular full-time (RFT) employees.
2. Employees recruited on permanent appointments on full tours continue to be considered as CONUS hires even if they subsequently accept term appointments. If they are involuntarily separated while serving on a term appointment, either because of expiration of the appointment or for BBA-related reasons, they continue to be eligible for LQA on subsequent placement.

Table 2 CONUS Hire to Regular Full-Time Limited				
If the appointment is—	From—	To—	LQA will—	Applicable paragraphs:
Extended,			Continue.	7a(1)(c)
Made permanent without change in position or pay-band level for which initially recruited,	RFL	RFT in same position and pay-band level for which initially recruited,	Continue, and the employee's status will change to table 1.	7a(1)(a), (b), and (c)
A voluntary or involuntary position change,	RFL	RFT or RFL at pay-band level NF-4 (NF-3 in CYS 1701 position),	Continue.	7a(1)(c) and 7a(2)

NOTE: Employees recruited on limited-tenure positions are recruited on time-limited appointments and tours to meet specific management needs. When the term period expires, the basis for LQA no longer exists. When employees remain in the overseas area rather than exercising their return-travel entitlement, their status becomes that of a local hire. Continued eligibility for LQA is under the same conditions as other local hires. The condition of employment and limited eligibility for LQA must be made known to the employee when the job offer is made. If management extends a term appointment or removes the term limitation from the position in response to management needs, the employee will be considered a permanent CONUS hire under the same rules as employees recruited from CONUS for non-time-limited appointments.

Table 3 Local Hire to RFT or RFL at NF-4 (NF-3 1701 CYS) or Above				
If the position change is—	From—	To RFT or RFL at—	LQA will—	Applicable paragraphs:
Voluntary,	RFT or RFL	The same or higher pay-band level for which initially recruited,	Continue.	7a(2)(a)
		A pay-band level lower than for which initially recruited,	Be suspended.	
Involuntary,	RFT or RFL	Any pay-band level,	Continue.	7a(2)(b)

NOTES: 1. LQA eligibility for local hires is based on initial appointment. Individuals appointed without LQA at pay-band levels below the eligibility threshold who are later promoted to positions at the threshold pay-band level do not acquire eligibility for LQA. See table 4 for the exception for current employees without LQA to acquire LQA based on assignment to a designated hard-to-fill position.
2. Although limited-tenure employees are not covered by the BBA process for LQA purposes, individuals serving on limited-tenure appointments who met the local-hire eligibility criteria on initial appointment and who change positions as a result of involuntary separation, including expiration of the term appointment, but not related to conduct or performance will continue to receive LQA in the same manner as RFT employees.
3. The threshold pay-band level for LQA for local hires is based on the pay-band level for which CONUS recruitment would normally be undertaken. Individuals who were initially recruited from the United States by the armed forces or other civilian components, are in APF or NAF positions, and who already have LQA at the time of appointment to a position covered by this policy will retain LQA eligibility. Those individuals who are in the overseas area without LQA will not acquire LQA by appointment under this policy.

Table 4 LQA Based on Assignment to Position Designated as Hard-To-Fill				
If the employee is—	Who—	A position—	LQA—	Applicable paragraph:
A local hire to a designated hard-to-fill position,	Gains LQA for the period of assignment to the specific position for which LQA was granted even if the hard-to-fill designation for the position is subsequently removed, and voluntarily or involuntarily changes to	Designated as hard-to-fill,	Will continue.	7a(3)
A current employee serving without LQA,		Not designated as hard-to-fill,	Will terminate.	7a(3)

NOTES: 1. This table does not apply to individuals eligible for LQA under table 3.
2. Individuals who acquire LQA based on initial appointment or subsequent assignment to a position designated hard-to-fill must meet the basic eligibility requirements of DSSR, paragraph 031.12b, at the time of appointment or assignment to the position. Rarely will current employees serving without LQA be able to acquire eligibility under this provision. Individuals with whom transportation agreements could be negotiated at the time of initial appointment may meet this requirement. Family members who travel to the overseas area with their sponsors do not meet the conditions in DSSR, paragraph 031.12b.
3. LQA is used as a recruitment incentive to fill positions identified as hard-to-fill. The sole purpose of granting LQA is to fill the position. Employees who leave a hard-to-fill position, even when involuntarily by BBA, will lose LQA.

b. LQA Administration. LQA is not expected or intended to reimburse all costs for all employees. Costs that may be allowed for reimbursement under LQA are on the USAREUR G1 website at <http://www.per.hqusareur.army.mil/cpd/>. Under the *Reference Library* tab, select *Regulations, Guides, and Manuals*, then click on *Living Quarters Allowance Allowable Costs Guide*. The NAF HRO will maintain current and historical LQA payment data for each grant in the format specified in appendix A. The HRO is responsible for ensuring that all employees authorized LQA fully understand their responsibility and the procedures used to administer LQA. This may be accomplished by providing employees a copy of or applicable extract from this regulation.

(1) The HRO will use the Defense Civilian Personnel Data System (DCPDS) to monitor posts of assignment, quarters groups, and allowable Family members.

(2) Employees are responsible for reporting changes to the following:

(a) Quarters, rent, utility costs.

(b) Subletting.

(c) Quarters allowance received by a spouse or other individual with whom quarters are shared.

(d) Dependent Family members included in LQA who reach age 21.

(e) Number of dependent Family members residing with the employee.

(3) Quarters rented under a rent-to-buy agreement will be considered personally owned quarters (POQ) for LQA purposes.

(4) If an employee rents or purchases a dwelling or combination of dwellings that comprise more than one set of quarters (for example, a pension, duplex, apartment house), only the portion considered the personal residence is allowable for LQA.

(5) The rental portion of LQA for POQ will be limited to the lesser of 10 percent of the purchase price (or appraised value for acquired quarters) or the outstanding cost obligation for acquired quarters, not to exceed the maximum rate authorized by the DSSR. For example, an employee who acquires quarters by marriage or inheritance will be entitled to 10 percent of the amount owed on the quarters if that amount is less than the appraised value.

(6) LQA will be authorized for the residence in the overseas theater that the employee claims as principle residence. The maximum rate of LQA will be determined by the employee's post of assignment regardless of the location of the residence for which LQA is received. This flexibility is permitted in recognition that an employee may chose to reside beyond the normal commuting distance of the post of assignment for valid personal or Family reasons. For example, an employee may change jobs within the overseas theater and desire to retain the residence at the former post because of children in school or a spouse employed at the former post, or the posts of a dual-working couple may be too far apart for both to commute daily.

(7) A rental contract, purchase agreement, or comparable legal document will be required for determining the basic rental portion of LQA. The amount for utilities for an initial grant, when not all included with rent, will be estimated. The HRO will help employees establish estimates that are as accurate as possible. Special attention must be given to annualized prorating of costs for bulk-fuel purchases. Information on which to base estimates may be obtained from former tenants, the landlord, HRO allowance-administrator knowledge of costs for comparable quarters and Family size, or the LQA payment data record prescribed in appendix A. Estimates given by utility companies will generally not be used because they are historically significantly lower than actual costs. When the employee has already occupied the quarters long enough to have receipts for utilities, the receipts will be used to determine utility costs.

(8) When utility costs are based on estimates, employees will provide the first statement received from each service provider, or from the landlord if the utility is registered in the landlord's name, at the time it is received. LQA will be adjusted effective at the beginning of the next pay period following the date of receipt by the HRO. The amount authorized for each utility will be the annualized amount of the monthly payment stated on the utility statement for the coming year. Bulk purchases of fuel for heating or cooking will be prorated to determine an annualized amount by dividing the total cost by the number of months it is expected to last and multiplying the result by 12.

(9) If an annual utility statement covering the current period of the employee's occupancy of the quarters is available and presented when the grant is initiated, no additional statement is required except as provided in (13) and (14) below.

(10) Statements for all utilities must be received by the HRO not later than 15 months after the grant is initiated. Authorization will be suspended for utilities for which statements have not been received within 15 months. The cost of utilities for the period from the end of the 15th month until the date the HRO receives the statement will not be retroactively reimbursed. Subsequent authorization will be effective the first day of the pay period following receipt of the required statements. Extension of the 15-month period may be granted when the delay is beyond the control of the employee and the delay is approved before the end of the 15th month.

(11) Future adjustments to the amount authorized for utilities will be made when an employee presents statements showing a change in costs. Changes will be effective at the beginning of the next pay period following the date of receipt of the documentation by the HRO.

(12) In extreme cases, when receipts indicate a significant over- or under-payment may have occurred, the NAF HRO may authorize and conduct a reconciliation and adjust the grant retroactively to the date of the last change, but not more than 1 year before the date the documentation was received by the HRO. Normally, LQA will not be retroactively adjusted if the difference is less than 10 percent of the total of all utility costs.

(13) Employees must keep receipts for at least 6 years and must submit them whenever requested by the HRO for post-audit purposes.

(14) Changes to the rental portion of LQA will be processed effective the actual date of the change. When the change is the result of a change in quarters, the process for estimating and subsequently validating utility costs will be followed.

(15) Changes resulting from factors other than rent and utility costs will be processed in accordance with the instructions in DSSR, section 100.

c. Pay Advances. Employees authorized official-travel orders for a permanent change of station to an assignment in a foreign area may request a pay advance in a lump sum of up to 6 pay periods of their net base pay. The advance may be requested on arrival at the new post and up to 2 months after arrival. Employees must agree to repay the advance by payroll deduction over a maximum of 26 pay periods, beginning with the first pay period after receiving the advance. Outstanding amounts must be repaid immediately if employment is terminated before settlement of the advance.

d. Post Allowance. Employees will receive post allowance according to DOD and DA policy and DSSR, paragraph 031.2. The amount of the entitlement will be in accordance with DSSR, section 226. The rules for married couples apply whether the spouse of the NAF employee is a NAF or APF civilian employee or a military member. When the spouse of the NAF employee is military, the NAF employee may not claim the spouse but may claim other dependent Family members if they are not included in a cost-of-living allowance received by the military spouse.

e. Other Allowances. Separate maintenance allowance, post differential, payments during evacuation, danger pay allowance, foreign transfer allowance (pre-departure subsistence and miscellaneous expense portions), and educational travel will be authorized for eligible employees under the provisions of the DSSR, paragraph 031.2. Allowances for which eligibility under paragraph 031.1 is required will be limited to employees authorized quarters allowance under this regulation.

f. Approval Level. When the grant of an allowance requires approval above the CPAC level (for example, separate maintenance allowance, extension of the 10-day period for the foreign-transfer allowance pre-departure subsistence expense), the request will be handled within the employing activity's chain of command at the level consistent with DA and Army service component command delegations of authority.

APPENDIX A LQA REPORT

A-1. LIVING QUARTERS ALLOWANCE REPORT

The living quarters allowance (LQA) report must be maintained using Excel. This will ensure that data is standardized and make it easier to sort data and compile statistics. Data must be kept on all grants.

a. When a change occurs for a current employee, another line will be added and all data will be repeated, whether changed or not.

b. For the initial grant, columns L and M will be the same. For subsequent changes, column L will remain the same and column M will change. When an employee no longer receives LQA, column N will identify the record as historical.

A-2. REPORT ENTRIES

a. The column order shown in table A-1 will be used so that reports from various locations can be merged. Reports and worksheets will be named with the personnel office identifier (POI) so that reports for each human resources office can be distinguished from one another.

b. The report includes a column for the employee's post and a column for the post under which it falls in the DSSR, paragraph 920.1 table. Dates will be entered as mm/dd/yyyy. An X will be entered in columns P through V, as applicable. Annual costs will be entered in the applicable foreign currency. Separate fields are provided for LQA currency (column Y) and privately owned quarters (POQ) currency (column Z) to accommodate a POQ currency type that may predate euro-zone entry (or other currency change) for a country.

Column	Data	Column	Data
A	Last name	U	Government-owned or -leased
B	First name	V	Privately owned
C	Last four of social security number	W	Number of rooms
D	DSSR, paragraph 920.1, listed post: city	X	Useable square meters
E	Post of assignment: city	Y	LQA currency
F	Post of assignment: country	Z	POQ currency
G	Quarters address: street and number	AA	POQ exchange rate
H	Quarters address: city (without postal code)	AB	POQ rental portion
I	Quarters address: postal code	AC	Rent (leave blank for POQ)
J	Quarters group	AD	Garage
K	Family size	AE	Furniture
L	LQA start date (mm/dd/yyyy)	AF	Insurance (not applicable in Europe)
M	LQA change date (mm/dd/yyyy)	AG	Taxes (rarely applicable)
N	LQA termination date (mm/dd/yyyy)	AH	Land rent (rarely applicable)
O	POQ rental-portion end date (mm/dd/yyyy)	AI	Condominium fees
P	Type of quarters: house	AJ	Heating fuel
Q	Type of quarters: apartment	AL	Electricity
R	Quarters furnished	AL	Other fuel (e.g., cooking bottle gas)
S	Quarters unfurnished	AM	Water
T	Privately leased	AN	Garbage and trash disposal

GLOSSARY

SECTION I ABBREVIATIONS

AE	Army in Europe
APF	appropriated fund
AR	Army regulation
BBA	business-based action
CAC	common access card
CONUS	continental United States
CPAC	civilian personnel advisory center
CPM	Department of Defense Civilian Personnel Manual (DOD 1400.25-M)
CYS	child and youth services
DA	Department of the Army
DCPDS	Defense Civilian Personnel Data System
DOD	Department of Defense
DODEA	Department of Defense Education Activity
DSSR	Department of State Standardized Regulations
HQ USAREUR/7A	Headquarters, United States Army Europe and Seventh Army
HRO	human resources office
IG	inspector general
JTR	Joint Travel Regulations
LN	local national
LQA	living quarters allowance
MWR	morale, welfare, and recreation
NAF	nonappropriated fund
NAFI	nonappropriated fund instrumentality
NATO	North Atlantic Treaty Organization
ODM	off-duty military
OPF	official personnel folder
OSD	Office of the Secretary of Defense
PCS	permanent change of station
pdf	portable data format
POI	personnel office identifier
POQ	personally owned quarters
RFL	regular full-time limited
RFT	regular full-time
SOFA	Status of Forces Agreement
TQSA	temporary quarters subsistence allowance
U.S.	United States
USAREUR	United States Army Europe

SECTION II TERMS

appointment

Assignment to a position through appointment, reassignment, transfer, promotion, or change to lower pay-band level or grade.

commander's waiver authority

Under a waiver granted by the Office of the Secretary of Defense in 1987, the Army was authorized to pay living quarters allowance (LQA) to nonappropriated fund (NAF) employees locally recruited in the foreign area for recruitment and retention purposes whether or not the employee met the basic eligibility requirements of the Department of State Standardized Regulations (DSSR). Commanders were given authority to grant LQA based on employee performance criteria. The DOD Inspector General (IG), in a 1993 report, expressed concern about this policy. As a result of the IG report, the House of Representatives National Security Committee included in the Defense Authorization Act for Fiscal Year 1996 a requirement that eligibility for LQA be in conformance with State Department regulations. The eligibility criteria of the DSSR and provisions of DOD 1400.25-M were applied on an individual, case-by-case basis to determine which employees could continue to receive LQA beyond 30 September 1997, the effective date of applicability of the law to employees who had been granted LQA under the waiver provision.

ordinarily resident

An individual who is ineligible for employment under the definition of ordinarily resident in AE Supplement 1 to AR 690-300.301. This definition applies unless otherwise defined by local law, rule, or regulation. An individual who qualifies as a member of the civilian component and subsequently obtains a work permit is not considered ordinarily resident as long as the individual remains a member of the civilian component.

resident alien

A lawful resident of the United States who is not a U.S. citizen but has a Permanent Resident Card (Form I-551), commonly known as a "Green Card."

United States

The 50 U.S. States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and possessions of the United States.