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# OA Administrative Practice Handbook

Volume III  
OA Manual Series

DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT

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HOUSING AND HOME FINANCE AGENCY  
Office of the Administrator

Department of Agriculture  
Washington, D.C.

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## INTRODUCTION

### SCOPE

Volume III of the Manual series is the medium by which administrative policies, standards, and procedures applicable to the Central Office are promulgated.

Each release in this Volume will be approved before publication by the Administrator or Assistant Administrator (Administration).

Unless otherwise specified, the material in this Volume is applicable to the Office of the Administrator, the Community Facilities Administration, and the Urban Renewal Administration.

The term *Division* is used in this Volume to designate any organizational unit in the Office of the Administrator the head of which reports direct to the Administrator. The terms *Branch*, *Section*, and *Unit* refer to successively lower organizational elements, whether or not they may be so designated officially.

The term *Constituent Unit* is used to designate the Community Facilities Administration, and the Urban Renewal Administration.

The term *Central Office* is used to refer collectively to the Office of the Administrator and the constituent units.

### ORGANIZATION AND NUMBERING

This Volume is divided into seven major Parts:

- Part 1—General Administrative Practice
- Part 2—Personnel Administration
- Part 3—Budget and Fiscal Controls
- Part 4—Travel and Transportation
- Part 5—Communications
- Part 6—General Administrative Services
- Part 7—Audit Policies and Procedures

Each Part is divided normally into Chapters and Sections, although in some instances the Chapter breakdown is omitted.

Sections are numbered in relationship to the rest of the Volume. Where a three digit number is used (e. g., 2-6-2), the first digit indicates the Part, the second the Chapter, and the third the Section. Where a two digit number is used (e. g., 2-6), there is no Chapter breakdown, the first digit indicating the Part and the second indicating the Section.

Pages are numbered consecutively within Sections. The date through which the material has been revised before publication is shown at the bottom of the page.

**MAINTENANCE**

When changes have been made in accordance with the Transmittal Letter instructions, the check list at the back of the Volume should be initialled. This serves automatically to call attention to missing releases.

Notices of rescissions of other instructions will be published in the Transmittal Letters for this Volume.

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## **Section 1**

### **MANAGEMENT IMPROVEMENT PROGRAM**

While management improvement has been a continuing effort of the Housing and Home Finance Agency, it was formalized as a program by Congress in Title X of the Classification Act of 1949 and the President in Executive Order 10072. Subsequently, the Bureau of the Budget, by various directives, defined certain steps to be taken to achieve a Government-wide program of management improvement.

#### **PROGRAM OBJECTIVES**

The objectives of the reviews required under the Management Improvement Program are:

- (1) To determine effectiveness, that is:
  - (a) The extent to which long- and short-range objectives and program goals of the organization are clearly defined for the guidance of operations, are consistent with the intent of the Congress and the program of the President, and are suited to current circumstances.
  - (b) The degree to which objectives and program goals are being met.
- (2) To determine the efficiency and economy of operations, including an appraisal of organization, procedures, and staffing at each level.
- (3) To plan and take improvement action by:
  - (a) Identifying opportunities for improvement in programs and operations.
  - (b) Determining priority of improvement actions in terms of potential economies or better service to the public.
  - (c) Setting time schedules and assigning responsibility and staff to take necessary action in areas selected for priority attention.
- (4) To encourage employee participation in management improvement by identifying, for purposes of recognition and awards, those employees or organization units which have made outstanding contributions to efficiency and economy of operations.

#### **MANAGEMENT REVIEW COMMITTEE**

Each constituent unit and major OA division shall formally establish a top-level committee to undertake a continuing review of its operations and procedures. The Deputy Administrator shall be notified of the establishment and composition of such committees and changes thereto.

The objective of each such committee should be to have under intensive study at all times one or more major areas of operations with a

view to determining possibilities of further decentralization, short-cuts, simplifications, and consolidations which will lead to economies in the utilization of existing personnel, reduction of costs, and more efficient management.

In addition, each committee shall survey and give particular attention to areas where functions may be accomplished through contracts with qualified private organizations and consequently permit a permanent reduction in Federal employment.

A copy of each report evolving from such surveys shall be furnished the Deputy Administrator.

#### **REGIONAL OFFICE MANAGEMENT REVIEW COMMITTEES**

Management Review Committees have been established in each Regional Office for the same purposes and under the same guidelines as those for Central Office organizations.<sup>1</sup>

Regional Administrators have been instructed to refer proposals requiring Central Office action to the constituent unit or division having primary responsibility. Each proposal shall be reviewed promptly and the initiating Region advised of the action taken on it. Within 30 days the constituent unit or division shall prepare a reply advising the Region of the final action on the proposal. The reply shall be routed prior to signature to the Assistant Administrator (Administration) for review and comment and to the Deputy Administrator for substantive approval.

The Assistant Administrator (Administration) shall report periodically to the Deputy Administrator on the status of proposals submitted to the Central Office pursuant to this Section.

#### **RESPONSIBILITY OF SUPERVISORS**

Officers and employees having supervisory responsibility are responsible for management improvement activities affecting their respective functions and operations and are charged with the responsibility of (1) continuously reviewing the activities under their supervision for the purpose of achieving the above program objectives, and (2) cooperating with the Budget and Organization Staff in the development and execution of management improvement studies affecting the operations for which they are responsible.

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<sup>1</sup> In addition, the Regional Management Review Committees have certain responsibilities under the Incentive Awards Program (see Section 2-5-2 of Volume V).

## **Section 2**

### **HHFA ADMINISTRATIVE RELEASES**

The Manual series shall be used by the Office of the Administrator, Community Facilities Administration, and Urban Renewal Administration for issuing general instructions covering program and administrative activities. The scope of each Volume in the series is indicated in the Introduction to that Volume.

Regional Circulars and Staff Memorandums shall be used to issue only:

- (1) Information or instructions of ephemeral or one-time interest.
- (2) Instructions of such urgency that immediate distribution is essential. In such cases, the instructions should be written in Manual style and printed in the Manual without further clearances as soon as possible after the initial release has been distributed.
- (3) Instructions which would require the reprinting of other Manual material, when the other material is currently undergoing revision and will be released within 30 days.

The Management Analysis and Procedures Branch shall designate the series to be used for each release and shall be responsible for assuring that any permanent instructions issued outside the Manual series are incorporated into that series as soon as possible.

### Section 3

#### CLEARANCE OF REPORTING FORMS AND PROGRAMS

The Federal Reports Act of 1942 requires that "No Federal Agency shall conduct or sponsor the collection of information on identical terms, from ten or more persons (other than Federal employees considered as such) unless, in advance of adoption or revision of any plans or forms to be used in such collection, (a) the agency shall have submitted to the Director [of the Bureau of the Budget] such plans or forms, together with copies of such pertinent regulations and other related materials as the Director shall specify; and (b) the Director shall have stated that he does not disapprove the proposed collection of information."

#### LIAISON WITH THE BUREAU OF THE BUDGET

The Statistical Reports and Development Branch, Division of Plans and Programs, is responsible for liaison with the Bureau of the Budget for the clearance of reporting forms and programs under the Federal Reports Act. All contacts with the Bureau of the Budget with respect to reporting programs or forms shall be made by or through the Director, Statistical Reports and Development Branch, who is authorized to sign the *Request for Clearance*, Standard Form 83.

#### CLEARANCE PROCEDURE

A division or constituent unit proposing to undertake a reporting program which requires Bureau of the Budget clearance under the Federal Reports Act shall submit the plans and forms to the Budget and Organization Staff for review as to administrative and procedural practicability and clearance within the HHFA. The Budget and Organization Staff will then forward the proposed plans and forms to the Statistical Reports and Development Branch.

The Statistical Reports and Development Branch shall review such materials for the purpose of maintaining conformance to established statistical standards and avoiding duplication of reporting operations, arrange with the initiating organization for the preparation of the *Request for Clearance* and supporting justifications, and make the necessary contacts with the Bureau of the Budget.

To expedite the clearance of forms and reporting programs, initiating units should consult with the Budget and Organization Staff and the Statistical Reports and Development Branch early in the developmental stages of proposed reporting projects.

## **Section 4**

### **ORGANIZATIONAL CONTROL**

Statements describing the approved organization and functions of the Office of the Administrator and the constituent units will be published in Volume II. These statements normally will cover only division and branch levels.

Approved organizational and functional breakdowns below the level covered in Volume II, will be documented in charts maintained in the Budget and Organization Staff. Copies of these will be furnished the organizations concerned and to the administrative staff units which need them for use in carrying out their assigned responsibilities.

#### **ORGANIZATION CHANGES**

Changes from the approved organization, as described in the Manual or the charts maintained in the Budget and Organization Staff, are not effective until they are approved in the manner prescribed in this Section.

Changes at or above the branch level must be approved by the Administrator or Deputy Administrator, and shall be submitted through the Assistant Administrator (Administration).

Changes below the branch level must be approved by the constituent unit or division head. As a prerequisite to such approval, changes should be discussed with the Assistant Administrator (Administration) for uniformity of agency organization.

Proposed changes shall be submitted, by memorandum or in chart form, over the signature of the constituent unit or division head, to the Budget and Organization Staff, Management Analysis and Procedures Section, for review and processing. It is suggested that proposals be discussed informally with that Section before formal submission.

#### **ORGANIZATIONAL CONTROL**

Primary responsibility for conforming to approved organizational and functional statements and charts, and for proposing necessary changes therein rests with division and constituent unit heads.

The Budget and Organization Staff shall review approved organizational and functional statements and charts periodically to ascertain whether unauthorized deviations exist.

The Personnel Branch shall refer proposed personnel actions which are not in conformity with an approved organizational and functional statement or chart to the Budget and Organization Staff, Management Analysis and Procedures Section, for review and clearance.

#### **ORGANIZATION REVIEW**

The Budget and Organization Staff will assist organization heads, at their request, in reviewing organization structure and the assignment of functions, and may on its own initiative conduct such reviews and studies as it deems necessary in carrying out the responsibilities assigned to it in Section 2-1-9 of Volume II.

## Section 5

### DELEGATIONS OF AUTHORITY

Certain functions and powers prescribed by statute to be performed or exercised by the Housing and Home Finance Administrator, and certain powers prescribed by statute or regulation to be exercised by the head of the department or agency or his designated representative, are exercised by other officers or employees pursuant to written delegations (including redelegations) deriving from the Administrator.

Section 502(a) of the Housing Act of 1948, as amended (12 U.S.C. 1701e), provides that "[T]he Administrator, without in any way relieving himself from final responsibility, may delegate any of his functions and powers to such officers, agents, or employees as he may designate<sup>1</sup>, may authorize such successive redelegations of such functions and powers, as he may deem desirable. \* \* \*

Section 3(a) of the Administrative Procedure Act (5 U.S.C. 1002(a)) requires that delegations (including redelegations) of final authority, except among other things those involving matters relating solely to internal management<sup>2</sup>, shall be separately stated and currently published in the Federal Register.

#### INITIATION AND DRAFTING OF PROPOSED DELEGATIONS OF AUTHORITY

When the delegation of a particular authority by the Administrator appears desirable, a proposal for the delegation of such authority may be initiated by either the constituent unit or division responsible for administration of the program or activity concerned or the Management Analysis and Procedures Section, Budget and Organization Staff, Division of Administration.

Proposals for delegations of authority, except those involving matters relating solely to internal management<sup>2</sup>, shall be submitted to the Division of Law for review and final drafting of the delegation document. Such submissions to the Division of Law shall contain the information indicated below and, whenever feasible, a draft of the proposed delegation.

Proposals for delegations of authority involving matters relating solely to internal management<sup>2</sup> shall be submitted to the Management Analysis and Procedures Section, Budget and Organization Staff, Division of Administration.

Every proposal for a delegation of authority shall contain a statement as to the need for the delegation; the title of the position, together with the name of the incumbent, to which it is recommended that the delegation be made; and a statement as to whether the delegation

<sup>1</sup> Notwithstanding the language of section 502(a), there may be a limitation upon the Administrator's power to delegate in a particular instance; for example, see the second proviso under section 101(c) of the Housing Act of 1949, as amended (42 U.S.C. 1451(c)).

<sup>2</sup> Matters which are solely the concern of the agency proper and therefore do not affect the members of the public to any extent. Both inter-agency and intra-agency activities are included. For example, delegations of authority to take final action with respect to transactions between the agency and the Treasury Department or the General Accounting Office are not required to be published in the Federal Register.

should supersede and revoke an existing delegation of the same authority.

#### **CLEARANCE AND PROCESSING OF DELEGATIONS OF AUTHORITY**

Proposed delegations of authority, except those involving matters relating solely to internal management,<sup>1</sup> shall be cleared for legality and appropriateness of form by the Division of Law. After approval of the document, the Division of Law shall secure the following clearances and transmit the document for signature by the Administrator or other officer authorized to make the delegation:

- (1) Head of the constituent unit or division responsible for administration of the program or activity concerned,
- (2) Management Analysis and Procedures Section, Budget and Organization Staff, Division of Administration,
- (3) Assistant Administrator (Administration), and
- (4) Deputy Administrator.

The Division of Law shall transmit the signed original, with appropriate copies, to the Federal Register Division, National Archives and Records Service, General Services Administration, for publication in the Federal Register.

Proposed delegations of authority involving matters relating solely to internal management<sup>1</sup> shall be cleared for conformance with governing regulations and for appropriateness of form by the Management Analysis and Procedures Section, Budget and Organization Staff, Division of Administration, which shall secure the approval of the head of the constituent unit or division responsible for administration of the program or activity concerned and the Assistant Administrator (Administration) and transmit the document for signature by the Administrator or other officer authorized to make the delegation. The Division of Administration shall maintain custody of the signed originals of such delegations.

#### **OFFICIAL FILE, AND ADMINISTRATIVE REPRODUCTION, OF DELEGATIONS OF AUTHORITY**

An official file of all delegations of authority, redelegations made within the Central Office, and redelegations affecting the public made within the Regional Offices shall be maintained by the Management Analysis and Procedures Section, Budget and Organization Staff, Division of Administration. (A register of all redelegations of authority made within the particular Region is maintained in each Regional Office, pursuant to Section 1-2, Volume V.)

Delegations of authority which affect the public to any extent will be reproduced in Part 60 of Volume I. Those delegations of authority which relate solely to internal management and which affect all organization units will be reproduced in the Manual. A copy of each delegation of authority relating solely to internal management which is not

<sup>1</sup>Matters which are solely the concern of the agency proper and therefore do not affect the members of the public to any extent. Both inter-agency and intra-agency activities are included. For example, delegations of authority to take final action with respect to transactions between the agency and the Treasury Department or the General Accounting Office are not required to be published in the Federal Register.

reproduced in the Manual will be furnished by the Division of Administration to the organization units affected.

**PREREQUISITES TO EXERCISE OF CERTAIN POWERS DELEGATED**

Where the exercise of a delegated power is subject to formal requirements such as the filing of a bond or of a signature card, the incumbent of the position or the named individual to whom such power has been delegated shall not exercise the power until he has complied with such requirements.

**REVOICATIONS OF DELEGATIONS OF AUTHORITY**

The constituent unit or division responsible for administration of the program or activity concerned shall initiate a request for revocation of any delegation of authority no longer required or appropriate, in accordance with the procedure prescribed herein with respect to delegations of authority.

## Section 6

### INTERAGENCY AGREEMENTS

These procedures apply to agreements between the Central Office and a constituent agency of the Housing and Home Finance Agency or another Federal agency for the furnishing of services, supplies, equipment, or other personal property. This Section does not apply to routine transactions between the Central Office and the General Accounting Office, Bureau of the Budget, Treasury Department, Civil Service Commission, and the General Services Administration, which are processed under the regulations of those agencies by Central Office divisions in accordance with their assignments of administrative responsibility.

An interagency agreement may be authorized under the general authority in Section 601 of the Act of June 30, 1932, as amended, 31 U.S.C. 686, or under similar authority. Each interagency agreement shall cite the authority therefor. Section 1311(a) of the Supplemental Appropriation Act; 1955 (31 U.S.C. 200), prohibits the recording of an obligation under an interagency agreement unless the obligation is supported by an agreement in writing between the agencies.

Generally, the Central Office will not furnish substantial services, supplies, equipment, or other personal property to another agency without reimbursement unless the administrator is expressly so authorized by statute or regulation. Similarly, the Central Office usually will not request another agency to furnish services, supplies, equipment, or other personal property without reimbursement.

#### AGREEMENTS FOR DETAIL OF EMPLOYEES

Whenever it is considered desirable for the Agency to enter into an agreement with another agency to furnish or to obtain purely personal services by means of the detail of an individual employee or employees, with or without reimbursement, the head of the division primarily concerned shall submit to the OA Director of Personnel a memorandum describing the proposed agreement. If the proposal is to detail an employee to another agency, or if the services of a specific employee of another agency are desired, a Standard Form 52, *Request for Personnel Action*, shall be completed for each such employee and attached to the memorandum.

Proposed details will be reviewed by the Personnel Branch for administrative feasibility and desirability and clearances obtained from the Budget and Organization Staff, the Finance and Accounts Branch, any other division concerned, and a responsible officer of the other agency. Thereafter the Personnel Branch shall prepare and process a standard letter of agreement or arrange for its preparation by the other agency and shall distribute copies of the signed agreement to the initiating division, Budget and Organization Staff, Finance and Accounts Branch, Audit Branch, and any other division concerned. If the detail of an agency employee is involved, the Personnel Branch shall formally notify the employee of the detail.

**OTHER AGREEMENTS FOR SERVICES OR PROPERTY****Nonreimbursable Agreements**

Any request by another agency for, or proposal by a division to obtain, without reimbursement, the furnishing of services (other than by the detail of an employee) or the furnishing of supplies, equipment, or other personal property shall be presented to the Assistant Administrator (Administration), Attention: Director, Budget and Organization Staff, in a memorandum prepared by the division concerned. Pending receipt of specific exemption from the policy with respect to reimbursement prescribed above, no action shall be taken to negotiate an agreement with the other agency, and no informal commitment made.

**Reimbursable Agreements**

Whenever it is considered desirable for the Agency to enter into an agreement with another agency to obtain or to furnish, on a reimbursable basis, services (other than by the detail of an employee), supplies, equipment or other personal property the head of the division primarily concerned shall submit a memorandum in duplicate, fully describing the proposal and including a firm estimate of costs to this Agency, to the Assistant Administrator (Administration), Attention: Director, Budget and Organization Staff, before taking action to negotiate an agreement. The Budget and Organization Staff shall review the proposal with reference to workload and budgetary considerations and indicate its approval or disapproval on the original of the memorandum; the Finance and Accounts Branch shall review the proposal with reference to considerations of availability of funds or reimbursement and likewise indicate its approval or disapproval.

Upon receipt of an approved memorandum, the initiating division shall prepare a draft of a proposed agreement and submit it, with the approved memorandum, for preliminary approval by the Division of Administration, the Division of Law, and any other division concerned.

If a substantial change in the arrangements for which preliminary approval has been obtained is contemplated, or there is a material change in cost estimate, the initiating division shall submit a supplementary memorandum, in duplicate, describing the proposed change, for approval in the same manner as the original proposal.

**Formal Approval and Signing**

When negotiations have been completed, the initiating division shall, independently or in collaboration with the other agency, prepare an agreement in final form for signature on behalf of the two agencies. Before an interagency agreement is signed by the Administrator or on behalf of the other agency, a copy shall be approved in writing on behalf of the initiating division, the Division of Administration, the Division of Law, and any other division concerned.

An interagency agreement shall be signed by the Administrator, unless he specifically delegates authority to another official to sign for him.

**Official File and Distribution of Copies**

The initiating division shall transmit the signed original or duplicate original of each agreement to the OA Fiscal Officer, who shall maintain the official file of such agreements. The initiating division shall furnish copies of such agreements to the Budget and Organization Staff, the Audit Branch, the Division of Law, and any other division concerned.



## **Section 7**

### **PROGRAM CONTRACTS**

Standard forms of contract for assistance under programs assigned to the OA or a constituent unit for administration shall be transmitted to the Assistant Administrator (Administration) for review prior to their use. The purpose of the Division of Administration review will be to assure that contract provisions bearing on the fiscal and administrative management aspects of program administration are consistent with established policy. To expedite final clearance of fiscal and administrative provisions, these forms of contract should be referred to the Division of Administration during an early stage in their drafting.

Revisions of standard forms of contract and individual contracts which deviate from the standard forms of contract with regard to fiscal or administrative provisions should be similarly transmitted for Division of Administration review.

Determinations of new or revised formulae for computing amounts to be compensated the Government under such contracts, as fixed fees for site inspections and audits, shall be approved by the appropriate program head and the Assistant Administrator (Administration).

## **Section 8**

### **NOTARIES PUBLIC**

The Notaries Public Expense Act of 1955 (Public Law 681, approved July 11, 1956) provides that civilian officers and employees of the departments and establishments of the Federal Government who are required to serve as notaries public in connection with the performance of official business shall be paid an allowance to be established by the department or establishment concerned not to exceed the expense required to be incurred by them in order to obtain their commission.

The legislative history of this statute reveals that it was the intention of the Congress that the allowance authorized therein be granted only in the case of a commission obtained for the purpose of facilitating the operations of the Government.

#### **CENTRAL OFFICE ALLOWANCE FOR COMMISSIONS**

The laws of the Government of the District of Columbia provide that the usual servicing fee charged for commissioning an individual to serve as a notary public in the District of Columbia shall be waived in the case of a Federal Government employee who agrees that he will not charge a fee for any notarial service which he may perform outside of his hours of employment by the Federal Government. However, such an employee is required to pay for the notarial seal and rubber stamp, and to furnish a five year surety bond.

Accordingly, when the services of an employee are required as a notary public in connection with official business transactions of the Central Office and such employee is commissioned to serve as a notary public pursuant to the procedures prescribed herein, he shall be reimbursed for the actual expenses required to be incurred by him to obtain his commission to the extent that such expenses do not exceed \$15.

#### **RECOMMENDATION FOR NOTARY PUBLIC COMMISSION**

Whenever it is determined by a constituent unit Commissioner, or by a program or division director, that the services of a notary public will be required on a recurring basis in connection with official Central Office business transactions under his jurisdiction, and that such services are not readily available from an employee already commissioned to serve the Central Office as a notary public, such Commissioner or program or division director may recommend that a particular employee under his supervision be commissioned as a notary public.

The recommendation shall be in the form of a letter to the Secretary, Board of Commissioners, District of Columbia Government, prepared for the signature of the Director, General Services Branch, which shall contain a statement of the need for a notary public at the particular location involved, shall set forth the name and office address of the particular employee who has been asked to apply for a notary public commission to meet the need, indicate the employee's agreement to charge no fee for any notarial service which he may perform outside

of his hours of employment by the Federal Government, and request that he be furnished the required forms for filing his application together with information pertaining to the qualification requirements of the District of Columbia Government. There shall be prepared, in addition to the usual carbon copies of the letter, a copy for the Director of Personnel and a copy for the Finance and Accounts Branch.

If the Director, General Services Branch, approves the recommendation that the employee be commissioned as a notary public, he will sign and transmit the letter to the Secretary, Board of Commissioners, District of Columbia Government, and so notify the official who made the recommendation. If, on the other hand, the Director, General Services Branch, determines that adequate notarial services can be provided to meet the need without requesting an additional commission, he will arrange for the provision of such services and so notify the official who recommended the additional commission.

#### **NOTIFICATION OF COMMISSION OR FAILURE TO QUALIFY**

When an employee has been granted a notary public commission pursuant to the provisions of this instruction, or has been notified that he did not qualify for a commission, the official who recommended that the employee be commissioned shall notify the Director, General Services Branch, of the fact by memorandum. If the employee was granted a commission, the memorandum shall state the effective date of the commission and the date such commission expires. A copy of the memorandum shall be furnished to each the Director of Personnel and the Finance and Accounts Branch.

#### **REIMBURSEMENT OF EXPENSES INCURRED IN OBTAINING COMMISSION**

An employee who receives a notary public commission for the purpose of facilitating the operations of the Government, pursuant to the procedure prescribed herein, shall file an itemized claim for the actual expenses which he was required to incur to obtain his commission. The claim shall be filed on a *Public Voucher for Purchases and Services Other Than Personal*, which shall be prepared in an original (Standard Form 1034, Rev.) and two memorandum copies (Standard Form 1034a, Rev.) and shall be supported by receipts acknowledging the employee's payment of each item of expense claimed.

The voucher shall be certified by the employee as payee. The original and one memorandum copy of the voucher, accompanied by the supporting receipts, shall be transmitted to the Finance and Accounts Branch for payment. The memorandum copy shall be retained by the employee for record purposes.

The Finance and Accounts Branch will process the voucher for payment by check in the approved amount.

## **Section 9**

### **CORRESPONDENCE WITH THE GENERAL ACCOUNTING OFFICE**

This Section provides procedures for processing correspondence with the Comptroller General and the General Accounting Office in accordance with governing legal, GAO and HHFA requirements. It covers the handling of claims by or against the Office of the Administrator or the constituent units; requests for decisions from the Comptroller General; requests for relief of accountable officers; requests for the remission of liquidated damages; replies to exceptions taken by the General Accounting Office in the audit of OA accounts; requests for GAO approval of certain forms, procedures, and accounting systems; and other types of correspondence with the General Accounting Office.

#### **CLAIMS BY THE OA OR THE CONSTITUENT UNITS, SUBMITTED TO GAO FOR SETTLEMENT**

Except as otherwise provided herein, upon administrative determination of uncollectibility, claims by the Office of the Administrator or a constituent unit<sup>1</sup> shall be forwarded to the General Accounting Office for settlement or collection under the provisions of section 236, Revised Statutes, as amended by section 305 of the Budget and Accounting Act of June 10, 1921 (31 U.S.C. 71).<sup>2</sup> The appropriate constituent unit or OA program organization is responsible for the administrative determination of uncollectibility and for preparation of such claims with respect to program matters under its jurisdiction, and the Assistant Administrator (Administration) is responsible for the administrative determination of uncollectibility and for preparation of claims arising out of administrative matters.

Letters transmitting such claims, exclusive of debts arising out of freight and passenger transportation services furnished for the account of the United States, shall be addressed to the Claims Division, General Accounting Office, and shall be accompanied by a detailed administrative report prepared in accordance with 4 GAO 5000. Title 4 GAO 5000 requires among other things that the administrative report shall set forth the debtor's full name and last known address and a complete statement of the facts and computations which are pertinent under the laws and regulations on the basis of which the debt was administratively determined. When the claim is \$75 or more, the report shall also contain citations to the applicable laws, regulations, contracts, vouchers and checks, and be accompanied by available credit information; copies of any available correspondence between the debtor and the Office of the Administrator or a constituent unit when the debtor has admitted liability or requested an explanation or questioned the amount of the debt or his liability; copies of documents necessary to establish the Government's position; and, when the debtor can not be located, a statement of the sources of information contacted and the results of the contacts.

#### **Claims for Damage by Private Vehicles**

Claims against individuals arising out of damage to Government property by reason of the negligent operation of privately owned vehicles may be reported to the General Accounting Office in accordance

<sup>1</sup> See Volume V, Book II of the HHFA Manual with respect to the transfer of uncollectibles to the Central Office and also see Volumes VI and VII for related CFA and URA program procedures.

<sup>2</sup> See 4 GAO 5050.30 of the General Accounting Office Policy and Procedures Manual for debts excepted from this general reporting requirement.

with the general procedures set forth in 4 GAO 5000, described in the preceding paragraph, or may be referred to the Department of Justice in accordance with the special procedures set forth in 4 GAO 6500, described below. Title 4 GAO 6500 authorizes agencies to refer directly to the Department of Justice vehicle damage debt claims when: (1) the amount of the debt is \$75 or more; (2) there is an uncollectible balance of \$75 or more; or (3) an offer in compromise is involved, regardless of the amount of the debt. Vehicle damage debt claims involving an offer in compromise, regardless of the amount of the debt, shall be referred directly to the Department of Justice. Claims required or recommended to be referred to the Department of Justice shall be transmitted, with accompanying file, to the Office of General Counsel for consideration and preparation of the referral report. Cases referred to the Department of Justice shall be supported by all pertinent and available evidence; the names and the locations of the parties in interest and of any parties who may have knowledge of the facts; and the name and address of the insurance company involved, if any, or, if the party or parties against whom the claim is being asserted were not insured, evidence of financial ability to pay if judgment is obtained.

#### **Claims Relating to Transportation Services**

Upon administrative determination of uncollectibility, claims arising out of freight and passenger transportation services furnished for the account of the United States shall be forwarded to the General Accounting Office for settlement or collection in accordance with the provisions of 5 GAO 5000. Letters transmitting such claims shall be addressed to the Transportation Division, General Accounting Office, and shall be initiated by the Division of Finance and Accounts.

#### **Submission of Uncollectible Claims to GAO**

Claims by the Office of the Administrator shall not be reported to the General Accounting Office for settlement or collection until after all reasonable efforts to collect them have been exhausted.

Letters transmitting to the General Accounting Office claims involving new program questions or policy matters shall be prepared for the signature of the Administrator and shall be surnamed by the constituent Chief Counsel and Commissioner, or by the head of the OA program organization, and the General Counsel or his designee. Otherwise, letters submitting to the General Accounting Office claims involving program matters shall be prepared for the signature of the constituent Commissioner and shall be surnamed by the Chief Counsel.

Letters transmitting to the General Accounting Office claims arising out of administrative matters, such as claims for transportation services and tort claims, shall be prepared for the signature of the Assistant Administrator (Administration) and shall be surnamed by the General Counsel.

In each case, the transmittal letter shall state concurrence in the findings, determinations, and recommendations stated in the administrative report.

#### **OTHER CLAIMS**

Other claims by the United States, which arise out of irregularities and discrepancies, including doubtful debt claims, false claims against the United States, and property accountability debts, shall be handled, as applicable, in accordance with the procedures set forth in 4 GAO 7000.

**CLAIMS AGAINST THE OA OR THE CONSTITUENT UNITS, SUBMITTED TO GAO FOR SETTLEMENT**

The following classes of claims against the Office of the Administrator or the constituent units may not be paid or denied administratively but must be forwarded to the General Accounting Office for adjudication, unless otherwise specifically provided by law :

- (1) Claims which involve doubtful questions of law or fact, except those which have been the subject of an advance decision of the Comptroller General,
- (2) Claims required by statute or by regulation or decision of the Comptroller General to be settled in the General Accounting Office,
- (3) Reclaims of items previously denied by the Agency unless it is determined administratively that the action taken was clearly in error and properly can be corrected by the Agency,
- (4) Claims which appear to be barred by an applicable statute of limitation at the time of receipt by the Agency,
- (5) Claims arising out of freight and passenger transportation services as defined in 5 GAO 6000.

Such claims shall be submitted by a brief transmittal letter addressed to the Claims Division, General Accounting Office, or to the Transportation Division in the case of claims arising out of transportation services, accompanied by all the relevant material and an administrative report. The latter shall contain the information specified in 4 GAO 2000 or 5 GAO 6000.

The appropriate constituent unit or OA program organization shall be responsible for the preparation of letters transmitting claims with respect to program matters under its jurisdiction, and the Assistant Administrator (Administration) shall be responsible for the preparation of letters which transmit claims arising out of administrative matters.

Letters transmitting such claims against the Office of the Administrator or a constituent unit involving new program questions or policy matters, shall be prepared for the signature of the Administrator and shall be surnamed by the constituent Chief Counsel and Commissioner, or by the OA division head, and the General Counsel or his designee. Otherwise, transmittals of such claims involving program matters shall be prepared for the signature of the constituent Commissioner and shall be surnamed by the Chief Counsel.

Letters transmitting such claims involving administrative matters, such as those arising out of purchases of supplies and transportation services, shall be signed by the Assistant Administrator (Administration) and shall be surnamed by the General Counsel or his designee.

**REQUESTS FOR DECISIONS****Statutory Provisions**

Section 8 of the Dockery Act, approved July 31, 1894, as amended (31 U.S.C. 74), authorizes the head of any executive department or other establishment not under any of the executive departments, or dis-

bursing officers, to apply to the Comptroller General for a decision upon any question involving a payment to be made by them or under them.

Section 3 of the act of December 29, 1941 (31 U.S.C. 82d), authorizes certifying officers to apply to the Comptroller General for a decision on any question of law involved in a payment on any voucher presented to them for certification.

#### **Submission of Requests for Decisions**

Any request for a decision by the Comptroller General with respect to any matter not before a certifying officer for payment shall be initiated by the constituent unit or OA program organization having jurisdiction with respect to the matter involved. Such requests shall be made to the General Counsel, who with the assistance of interested program or administrative staff members shall prepare the request therefor for signature by the Administrator. Any correspondence with the Comptroller General in connection with such requests shall also be prepared for the Administrator's signature, except as he otherwise may authorize or direct; and such correspondence shall be surnamed by the General Counsel or his designee.

Requests by certifying officers for decisions of the Comptroller General on vouchers properly before them for certification, involving as they do the interpretation or construction of law, should be prepared in consultation with the General Counsel. The General Counsel shall be furnished with a copy of the request as submitted and a copy of the Comptroller General's decision rendered in reply to such request.

#### **CENTRAL SOURCE OF INFORMATION ON COMPTROLLER GENERAL UNPUBLISHED DECISIONS AND REPLIES**

The General Counsel shall maintain a complete file of all unpublished decisions rendered to the Housing and Home Finance Administrator or to disbursing and certifying officers within the Housing and Home Finance Agency, and of all replies by the Comptroller General to requests made by the Administrator for the relief of accountable officers, and for the remission, under the authority of section 10(a) of the act of September 5, 1940 (41 U.S.C. 256a), of liquidated damages; and, upon request, shall furnish to members of the staff of the Office of the Administrator and the constituent units full information with respect to any such unpublished decisions or to such replies bearing on matters before such staff members.

Decisions rendered by the Comptroller General to the Housing and Home Finance Administrator and replies by the Comptroller General to requests by the Administrator for the relief of accountable officers and for the remission of liquidated damages shall be routed by the OA Mail Room to the General Counsel. The General Counsel shall promptly furnish a copy of such decision or reply to the initiating organization. Copies of decisions which may have application to more than one organization shall be furnished by the General Counsel to the constituent units and OA program organizations.

#### **REQUESTS FOR RELIEF OF ACCOUNTABLE OFFICERS**

Requests for the relief of accountable officers made under the act of August 1, 1947, as amended (31 U.S.C. 82a-1), shall be prepared for

the Administrator's signature. Each request shall be prepared in accordance with 3 GAO 4570.10 and shall be addressed to the Civil Audit Branch, Civil Accounting and Auditing Division, General Accounting Office. A more detailed statement of the facts of the matter shall be set forth in a separate memorandum from the Assistant Administrator (Administration) to the Administrator. The memorandum and proposed request shall be forwarded to the Administrator through the General Counsel, with copies provided for the Administrator, the General Counsel, and any other interested officials. Correspondence with the General Accounting Office in connection with such requests shall be submitted in the same manner, except as the Administrator may otherwise authorize or direct.

Requests for the relief of certifying officers made under the act of December 29, 1941 (31 U.S.C. 82c), ordinarily shall be prepared for the signature of the Assistant Administrator (Administration), and shall be surnamed by the General Counsel or his designee. Such requests shall be prepared in accordance with 3 GAO 4560.10 and shall be addressed to the audit activity of the General Accounting Office which issued the notice(s) of exception.

In addition, whenever such requests for relief involve program expenditures, the appropriate constituent Commissioner or head of the OA program organization shall surname the request.

#### **REQUESTS FOR REMISSIONS OF LIQUIDATED DAMAGES**

Any request to the Comptroller General under the authority of section 10(a) of the act of September 5, 1950 (41 U.S.C. 256a), for the remission of liquidated damages assessable under a contract entered into by the Administrator or under authority delegated by him, shall be prepared for the Administrator's signature by the constituent unit or OA program organization having jurisdiction with respect to the contract.

Such request shall be accompanied by an administrative report from the responsible official justifying the requested equitable relief, setting forth the pertinent findings, determinations, and recommendations. Such findings, determinations, and recommendations shall be incorporated, ordinarily by reference, into the letter requesting remission of damages. The report and request shall be forwarded to the Administrator through the General Counsel, and any other interested officials. Correspondence with the Comptroller General in connection with such requests shall be submitted in the same manner, except as the Administrator may otherwise authorize or direct.

#### **REPLIES TO EXCEPTIONS**

Replies to exceptions taken by the General Accounting Office in the audit of OA accounts shall be addressed to the Civil Audit Branch, Civil Accounting and Auditing Division, General Accounting Office, and will ordinarily be signed by the responsible accountable officer to whom the notice of exception has been sent by the General Accounting Office. Replies to exceptions are governed by 3 GAO 5000. Such replies should be prepared only after consultation by the accountable officer with his supervisor and such other OA and constituent unit staff

members as may be directly interested, including, if a program is involved, program personnel and, if a legal question is involved, the General Counsel. A copy of the draft of the proposed reply to any exception which raises a policy question shall be forwarded to the Assistant Administrator (Administration) for review, and to the appropriate constituent commissioner or head of the OA program organization if a program matter is involved. Copies of replies to exceptions shall be furnished all interested OA staff members, including the accountable officer's immediate supervisor, the Assistant Administrator (Administration), and, if a program is involved, the constituent commissioner or head of the OA program organization.

#### **REQUESTS FOR APPROVAL OF FORMS, PROCEDURES AND ACCOUNTING SYSTEMS**

Communications requesting approval by the General Accounting Office (or Comptroller General) of forms, procedures, and accounting systems, pursuant to the provisions of section 309 of the Budget and Accounting Act of 1921 (31 U.S.C. 49),<sup>1</sup> shall be prepared by the Finance and Accounts Branch for the signature of the Assistant Administrator (Administration) or his designee, and shall be addressed to the Director, Civil Accounting and Auditing Division, General Accounting Office. If program matters are involved, the request shall be sur-named by the appropriate constituent Commissioner or his designee or the head of the OA program organization.

#### **OTHER CORRESPONDENCE WITH GAO <sup>2</sup>**

Communications to the General Accounting Office on other matters, such as routine replies to requests for information pertaining to the settlement of accounts, contracts, and similar subjects, should be addressed to the officials of the General Accounting Office making such requests, and should be signed by the administrative officer having responsibility for the matter involved. However, when such communications involve policy questions or matters which affect the programs or activities of more than one principal organizational unit of the Agency, the draft of any such proposed communication shall be cleared by the Assistant Administrator (Administration) or his designee.

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<sup>1</sup> See 9 GAO 1000 and 30 Comp. Gen. 489 for the types of accounting forms and procedures which require such approval.

<sup>2</sup> See Section 3-3-2, Volume II for special instructions relating to comments on GAO audit reports and replies to inquiries received during a GAO audit.

## Section 10

### GRAPHICS AND VISUAL AIDS

The Graphics and Visual Aids Staff is responsible for creating, developing, and producing visual program assistance materials, training aids, audio-visual materials, and general graphic art products. Consultation with the Graphics and Visual Aids Staff should precede formal planning or requisitioning of any but very simple or routine requests for advice regarding media, size, shape, makeup, estimated cost, and type of material. This Section explains how to submit requisitions following development for actual production of materials or for service assistance. (See Section 6-1 for information on how to request printing and reproduction services.)

Graphics and Visual Aids as used in this Section include:

- (1) Format design and layout of publications.
- (2) Design and preparation of slides, slide films, and motion pictures.
- (3) Illustration.
- (4) Photography, including diazo and photo copy preparation.
- (5) Sound recording.
- (6) Chart (except organization chart) and map preparation.
- (7) Lecture illustrations and flip chart presentation.
- (8) Preparation of exhibits, displays, and posters.
- (9) Preparation of Conference materials such as agenda kits, signs, badges, placards, etc.
- (10) Flannel board, magnetic board, and Vu-Graph presentation.
- (11) Arrangement for showing audio-visual materials.

#### REQUISITIONING GRAPHIC AND VISUAL AID SERVICES

##### Clearance of Material

Offices requesting services are responsible for the accuracy of the material and for obtaining required clearance approvals.

To obtain graphics or visual aids needed, prepare Form H-20, *Requisition for Graphics and Reproduction Services*, in original and three copies. (See Exhibit A.) Offices should serially number their requisitions, prefixing the number with the abbreviation of the name of the requisitioning organization unit. The Requisitioning Officer's name and title shall be typed in the space provided for his signature.

Requests for graphics and visual aids should be specific in describing the purposes and use of the material. However, the description of the graphics or visual aids needed should be flexible to allow the Graphics and Visual Aids Staff to select the media and to use the most efficient and economical production methods available. The Graphics and Visual Aids Staff designers will, as a final step in preparing materials for printing, complete the portion of the requisition defining type specifications, paper and ink selections, binding, format, sizes, etc. to assure accurate reproduction of the design, photographs, illustrations, and typographic format as approved before forwarding jobs for reproduction.

The head of the requesting constituent unit or division, or a staff member authorized by him to request graphic and visual aid services, should sign the original of Form H-20 and route it with two copies of Form H-20 and any materials to the Budget and Organization Staff. When printing, reproduction, and distribution services are also required, indicate on the same Form H-20 as provided in Section 6-1. Returning proofs will be checked by the Graphics and Visual Aids Staff for faithful adherence to specifications established during design prior to release for proofreading.

#### **Publication of a Photograph**

When requesting the publication of a photograph of a person, his activities, or property, the initiating office shall make sure that use of the photograph does not require the consent of the person, or of the owner or tenant of the property. If it does, a consent similar to Exhibit B shall be completed and signed. The original signed consent form should be attached to the original Form H-20.

#### **Reprint of Copyrighted Material**

When requesting the reprint of copyrighted material, the initiating office should send a letter to the copyright proprietor asking permission to use the material. The name of the copyright proprietor appears in the notice of copyright on each copy published or offered for sale. The letter must incorporate the following statements:

“We should like to have your consent to the free reprinting by us of not more than \_\_\_\_\_ copies for (state use, such as ‘internal distribution to our Regional Offices for staff information’). Publication or republication by the Government of copyrighted material does not abridge or annul the copyright, nor does it authorize any further reproduction of the copyrighted material without your consent.”

The letter of consent from the copyright proprietor should be attached to the original Form H-20 sent to the Graphics Section.

It is generally permissible to reprint noncopyrighted material in a nongovernmental publication, but if there is any question, the initiating office should obtain written permission to reprint.

#### **Budget and Organization Staff Clearance**

The Budget and Organization Staff will review material for adequacy of clearances, administrative practicability, quantity, and distribution. When additional clearances are required, the Budget and Organization Staff will ask the initiating office to obtain them.

The Budget and Organization Staff will forward approved requisitions and their attachments to the Graphics and Visual Aids Staff. Requisitions involving action by both the Printing and Reproduction Section and the Graphics and Visual Aids Staff will show Budget and Organization Staff approval on the original and one copy of the Form H-20.

#### **Action by the Graphics and Visual Aids Staff**

Requisitions will not be processed by the Graphics and Visual Aids Staff without approval by the Budget and Organization Staff unless clearance has been specifically waived by the latter or unless preliminary

consultation and art work is required prior to Budget and Organization Staff clearance. Requests involving a negligible amount of time and materials and not subject to subsequent reproduction may be accepted for service at the discretion and authorization of the Director, Graphics and Visual Aids Staff.

The Graphics and Visual Aids Staff will determine the most effective and economical media and production methods available in consultation with the originating office. Non-routine work developed by the Graphics and Visual Aids Staff will be submitted to the originating office for approval prior to final processing. After completion of work by the Staff, the material will be sent to the appropriate point for further action, if required, or returned to the requesting office. When a project is completed (i.e. a publication is printed or visual materials are released) the original artwork, plans, sketches, etc. shall be returned to the Graphics and Visual Aids Staff for filing and storage so they will be available for additional or future use.

EXHIBIT A

HOUSING AND HOME FINANCE AGENCY OFFICE OF THE ADMINISTRATOR				H-20 (9-57)																			
REQUISITION FOR GRAPHICS AND REPRODUCTION SERVICES																							
<b>DESCRIPTION (Title):</b> <b>Urban Renewal and Your Community</b> <input type="checkbox"/> CHECK IF RECUR <b>Series of slides for field office use showing progress of urban renewal projects in selected cities.</b>			<b>REQUESTING ORGANIZATION</b> <b>Urban Renewal Admin.</b>																				
<b>PURPOSES AND USES:</b> <input type="checkbox"/> CHECK IF FOR EXTERNAL DISTRIBUTION  <b>To be used to clarify federal role and to broaden local participation. Related charts are for briefing municipal participants.</b>			<b>REQUISITION NO.</b> <b>URA-765</b>																				
			<b>DATE OF REQUEST</b> <b>10/14/57</b>																				
			<b>DATE COMPLETION REQUIRED</b> <b>11/28/57</b>																				
			<b>PERSON TO CONTACT DURING PRODUCTION</b> <b>John Doe</b>																				
			<b>EXTENSION</b> <b>4045</b>																				
<b>MATERIALS ATTACHED</b> <b>2 1/2 page manuscript - rough draft of film continuity</b> <b>6 "before and after" original photographs</b> <b>3 planning maps</b>			<b>REQUISITIONING OFFICER'S NAME AND TITLE</b> <b>James Smith</b> <b>Administrative Officer</b>																				
			<b>BUDGET AND ORGANIZATION STAFF</b>																				
<b>DESCRIPTION OF GRAPHICS OR VISUAL AIDS NEEDED</b>																							
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">SIZE</th> <th rowspan="2">DESCRIPTION</th> </tr> </thead> <tbody> <tr> <td>Publication</td> <td></td> <td rowspan="6"> <b>Prepare storyboard for approval and finished artwork for approximately 65 frames. 7 sets of slides needed for field distribution. Anticipate reuse of illustrations in subsequent publication.</b> </td> </tr> <tr> <td>Exhibit</td> <td></td> </tr> <tr> <td>Slides</td> <td>35 mm</td> </tr> <tr> <td>Presentation</td> <td>charts</td> </tr> <tr> <td>Chart - Map</td> <td></td> </tr> <tr> <td>Photographs</td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td colspan="3"> <b>Other (Specify)</b> </td> </tr> </tbody> </table>					SIZE		DESCRIPTION	Publication		<b>Prepare storyboard for approval and finished artwork for approximately 65 frames. 7 sets of slides needed for field distribution. Anticipate reuse of illustrations in subsequent publication.</b>	Exhibit		Slides	35 mm	Presentation	charts	Chart - Map		Photographs	<input checked="" type="checkbox"/>	<b>Other (Specify)</b>		
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DATE	TIME	PLACE																					
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METHOD OF REPRODUCTION	NO. PAGES OF COPY	NO. OF COPIES	STOCK	IMPRINTING	BINDING	PUNCHING																	
Multilith			WEIGHT	<input type="checkbox"/> ONE SIDE ONLY	<input type="checkbox"/> AS PAGED	<input type="checkbox"/> TOP																	
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Verityping					<input type="checkbox"/> SIDE																		
Other			FOLD TO (inches)		<input type="checkbox"/> TOP																		
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NAME		LOCATION			NO. OF COPIES																		
<b>ADDITIONAL INSTRUCTIONS</b> <b>Indicate changes in continuity where visuals carry message. Call Doe when technical advisor is needed for photos.</b>					<b>GENERAL SERVICES BRANCH</b> APPROVED _____  DATE _____																		

(Use reverse side if necessary)

**EXHIBIT B**

HOUSING AND HOME FINANCE AGENCY  
Office of the Administrator

CONSENT TO USE OF PHOTOGRAPH OF PERSON OR PROPERTY

I hereby consent to the use by the Housing and Home Finance Agency, to the extent it desires, of photograph(s) of:

- (a) me, still or in motion;
- (b) the interior of the property identified as

\_\_\_\_\_ (street number) \_\_\_\_\_ (city) \_\_\_\_\_ (state)

occupied by me as \_\_\_\_\_ (owner, tenant, or other)

- (c) the exterior of the property identified as

\_\_\_\_\_ (street number) \_\_\_\_\_ (city) \_\_\_\_\_ (state)

owned by me as \_\_\_\_\_ (sole owner, joint tenant, tenant in common, tenant by entirety)

I hereby waive my right of privacy and other legal or equitable rights with respect to the use of such photograph(s).

\_\_\_\_\_ (name)

\_\_\_\_\_ (date)

\_\_\_\_\_ (address)

(For use in case of a minor) I agree to and join in the above consent.

\_\_\_\_\_ (date)

\_\_\_\_\_ (parent and guardian)

## Section 11

### COMPLIANCE DIVISION INVESTIGATIONS AND INSPECTIONS

The Compliance Division is responsible for, among other functions, (1) the conduct of inspections as to facilities within the Agency designed to assure integrity and effectiveness of operations and activities in accordance with established policy and procedure and (2) the conduct of investigations with respect to possible violations of laws or regulations and other irregularities in connection with Agency programs or activities, including such investigation of certain possible criminal violations as may be necessary for referral to the Department of Justice. Reports are prepared as to inspections and investigations made.

The Compliance Division conducts investigations or special inspections upon request of the Administrator, Deputy Administrator, or constituent head. The head of a constituent unit may authorize, in writing, one or more members of his principal staff to request special inspections or investigations pursuant to this Section. A copy of each such authorization shall be sent to the Administrator and to the Director of the Compliance Division.

#### REFERRALS TO COMPLIANCE DIVISION

In determining whether information, allegations, or complaints shall be referred for investigation, heads of constituent units shall be guided by the following criteria governing types of cases which shall be referred immediately upon their receipt to the Director of the Compliance Division:

- (1) Information indicating possible criminal violation, regardless of the source.
- (2) Matters requiring investigation and which are of sufficient seriousness and complexity to require the services of a trained investigative staff.
- (3) Other matters of such a nature or of such importance as to justify an objective investigation for the purposes of administrative action.

The requirement that the types of matters set forth above must be referred immediately on their receipt to the Compliance Division is not intended to exclude the referral of any other cases which a constituent unit head may wish investigated by the Compliance Division; nor is it intended to preclude the taking of such concurrent administrative or supervisory action as may be required in the judgment of the constituent unit head, provided such concurrent action will not prejudice criminal investigation or prosecution.

**RESPONSIBILITIES OF CONSTITUENTS****Action on Investigation Reports**

Heads of constituent units shall be responsible for taking appropriate action based on the findings contained in reports of investigation. Constituent heads shall send a copy of each report of investigation to the Regional Administrator concerned for evaluation and recommendation, unless clearly inappropriate or unnecessary to do so.

When the constituent head determines that final disposition of an investigation case has been effected, he shall forward to the Director of the Compliance Division a *Disposition Report*, Form H-1416, (Exhibit A) indicating the action taken. The constituent head shall notify the Regional Administrator concerned of the submission of a Disposition Report and may, as appropriate, advise him of the action taken.

**Action on Inspection Reports**

Heads of constituent units shall be responsible for taking appropriate action based on the findings, recommendations, or other information contained in reports of inspection. The constituent head may send a copy of the inspection report, or of excerpts thereof, to one or more Regional Administrators for evaluation and recommendation, as appropriate under the circumstances.

Within 45 days after receipt of an inspection report, the constituent head shall transmit to the Deputy Administrator written comments indicating concurrences and/or disagreements with the findings, recommendations, or suggestions contained in the inspection report. The comments shall specify all planned implementation of the inspection report and the anticipated date thereof, as well as the basis for any nonconcurrences.

Copies of all directives, instructions, procedures or other issuances effecting implementation of an inspection report shall be furnished the Deputy Administrator promptly. The Deputy Administrator shall be advised when all action on the inspection report has been completed so that his file may be closed.

**Designation of Constituent Liaison Officers**

Each constituent unit head shall designate a member of his staff to be responsible for receiving and taking appropriate action on all information or allegations of fraud, irregularity, or violation of law or regulation, including the transmittal of cases to the Compliance Division and preparation of reports as required herein.

**Employee Cooperation**

Constituent unit heads should instruct their employees to cooperate with members of the Compliance Division staff in making available such information and records as may be requested in the conduct of inspection reviews or investigations. In addition, constituent unit

heads should direct their employees to report immediately any allegations or information concerning possible violations of laws or regulations, or irregularities or fraud which come to their attention.

**Processing Regional Office Referrals**

Upon receipt of a referral memorandum the Commissioner shall promptly determine whether the information, allegations or complaints contained in the referral memorandum shall be referred to the OA Compliance Division for investigation.

If the Commissioner determines that the information, allegations or complaints in the referral memorandum do not warrant investigation by the Compliance Division, he shall address a memorandum to the Regional Administrator so informing him and giving an explanation of such determination. The Commissioner shall also return all material, in the nature of exhibits, forwarded by the Regional Administrator with the referral memorandum. A copy of the Commissioner's memorandum to the Regional Administrator shall be sent to the Deputy Administrator.

If, on the other hand, the Commissioner determines that the information, allegations or complaints in the referral memorandum warrant investigation by the Compliance Division, he shall promptly refer the matter to the Compliance Division and request appropriate investigation. This referral shall be in the form of a memorandum from the Commissioner to the Director of the Compliance Division specifying the relevant data in connection with the case, and stating the scope and nature of the investigation which the Commissioner deems appropriate. Usually, there shall be attached to this memorandum a copy of the referral memorandum from the Regional Administrator and copies of any material, in the nature of exhibits, which were submitted in connection with the referral memorandum. A copy of the Commissioner's memorandum to the Director of the Compliance Division shall be forwarded to the Regional Administrator.

**REFERRALS TO DEPARTMENT OF JUSTICE**

All referrals to the Department of Justice for prosecution or for investigation shall be made over the signature of the designee of the Administrator, the Director of the Compliance Division, who shall notify constituent unit heads of such referrals. Oral reports and referrals to the Department of Justice shall be confirmed by written memorandums, with copies to the constituent unit head. The Compliance Division shall be the sole liaison office with the Department of Justice concerning criminal matters referred to that Department.

EXHIBIT A

HOUSING AND HOME FINANCE AGENCY  
OFFICE OF THE ADMINISTRATOR  
COMPLIANCE DIVISION

H-2816  
(3-61)

DISPOSITION REPORT

TO : Director, Compliance Division, HHFA

FROM : \_\_\_\_\_  
\_\_\_\_\_

SUBJECT: \_\_\_\_\_  
\_\_\_\_\_

File No. \_\_\_\_\_

The Report(s) of Investigation of the Subject Case has-have been reviewed, evaluated, and disposition made as indicated in the check list below. The nature of the Administrative Action is explained under DETAILS.

- 1.  Precautionary Measures applied  rescinded
- 2.  S12 Debarment applied  rescinded
- 3.  Debarment other than S12 applied  rescinded
- 4.  Personnel action
- 5.  Agency Regulations revised
- 6.  Contract with financial institution rescinded
- 7.  Cease and Desist Order issued
- 8.  Civil Action
- 9. Monetary Recovery - Amount \$ \_\_\_\_\_  To Agency  To Other
- 10.  Construction Corrections
- 11.  Claims denied  Repurchased Amount \$ \_\_\_\_\_
- 12.  Referral to other Agency
- 13.  No action warranted
- 14.  Other

DETAILS: (Summarize details of action, including names, number of persons and firms involved. If "no action warranted," give reasons.)

Based on the above disposition(s) it is recommended that this case be closed.

Date \_\_\_\_\_ (signed) \_\_\_\_\_  
Authorized Official

COMMENT: (For use of Compliance Division, HHFA)

## **Section 11**

### **COMPLIANCE DIVISION INVESTIGATIONS AND INSPECTIONS**

The Compliance Division is responsible for, among other functions, (1) the conduct of inspections as to facilities within the Agency designed to assure integrity and effectiveness of operations and activities in accordance with established policy and procedure and (2) the conduct of investigations with respect to possible violations of laws or regulations and other irregularities in connection with Agency programs or activities, including such investigation of certain possible criminal violations as may be necessary for referral to the Department of Justice. Reports are prepared as to inspections and investigations made.

The Compliance Division conducts investigations or special inspections upon request of the Administrator, Deputy Administrator, or constituent head. The head of a constituent unit may authorize, in writing, one or more members of his principal staff to request special inspections or investigations pursuant to this Section. A copy of each such authorization shall be sent to the Administrator and to the Director of the Compliance Division.

#### **REFERRALS TO COMPLIANCE DIVISION**

In determining whether information, allegations, or complaints shall be referred for investigation, heads of constituent units shall be guided by the following criteria governing types of cases which shall be referred immediately upon their receipt to the Director of the Compliance Division:

- (1) Information indicating possible criminal violation, regardless of the source.
- (2) Matters requiring investigation and which are of sufficient seriousness and complexity to require the services of a trained investigative staff.
- (3) Other matters of such a nature or of such importance as to justify an objective investigation for the purposes of administrative action.

The requirement that the types of matters set forth above must be referred immediately on their receipt to the Compliance Division is not intended to exclude the referral of any other cases which a constituent unit head may wish investigated by the Compliance Division; nor is it intended to preclude the taking of such concurrent administrative or supervisory action as may be required in the judgment of the constituent unit head, provided such concurrent action will not prejudice criminal investigation or prosecution.

#### **RESPONSIBILITIES OF CONSTITUENTS**

##### **Action on Reports**

Heads of constituent units shall be responsible for taking appropriate action based on the findings contained in reports of inspection or investigation and shall advise the Director of the Compliance Division as to the action taken on such reports.

The constituent unit head shall send a copy of the report of inspection or investigation to the Regional Administrator concerned for his evaluation and recommendation, prior to the submission of the Disposition Report. Regional Office referral, however, should not be made in any case where such action is clearly inappropriate.

Constituent unit heads shall also notify the Regional Administrator concerned as to the final disposition of an investigative case.

#### **Designation of Constituent Liaison Officers**

Each constituent unit head shall designate a member of his staff to be responsible for receiving and taking appropriate action on all information or allegations of fraud, irregularity, or violation of law or regulation, including the transmittal of cases to the Compliance Division and preparation of reports as required herein.

#### **Reporting Requirements**

Constituent units shall report monthly to the Director of the Compliance Division with respect to the activities of their respective organizational units responsible for inspections within the constituent and with respect to the current status of all cases involving information, allegations and complaints of irregularity, fraud, or violation of law or regulation received during the month or which are in active status during the month, including those on which no investigative or other action is proposed by the constituent. In preparing these reports, constituent unit heads are encouraged to exchange comments with Regional Administrators.

#### **Employee Cooperation**

Constituent unit heads should instruct their employees to cooperate with members of the Compliance Division staff in making available such information and records as may be requested in the conduct of inspection reviews or investigations. In addition, constituent unit heads should direct their employees to report immediately any allegations or information concerning possible violations of laws or regulations, or irregularities or fraud which come to their attention.

#### **Processing Regional Office Referrals**

Upon receipt of a referral memorandum the Commissioner shall promptly determine whether the information, allegations or complaints contained in the referral memorandum shall be referred to the OA Compliance Division for investigation.

If the Commissioner determines that the information, allegations or complaints in the referral memorandum do not warrant investigation by the Compliance Division, he shall address a memorandum to the Regional Administrator so informing him and giving an explanation of such determination. The Commissioner shall also return all material, in the nature of exhibits, forwarded by the Regional Administrator with the referral memorandum. A copy of the Commissioner's memorandum to the Regional Administrator shall be sent to the Deputy Administrator.

If, on the other hand, the Commissioner determines that the information, allegations or complaints in the referral memorandum warrant investigation by the Compliance Division, he shall promptly refer the matter to the Compliance Division and request appropriate investigation. This referral shall be in the form of a memorandum from the Commissioner to the Director of the Compliance Division specifying the relevant data in connection with the case, and stating the scope and nature of the investigation which the Commissioner deems appropriate. Usually, there shall be attached to this memorandum a copy of the referral memorandum from the Regional Administrator and copies of any material, in the nature of exhibits, which were submitted in connection with the referral memorandum. A copy of the Commissioner's memorandum to the Director of the Compliance Division shall be forwarded to the Regional Administrator.

**REFERRALS TO DEPARTMENT OF JUSTICE**

All referrals to the Department of Justice for prosecution or for investigation shall be made over the signature of the designee of the Administrator, the Director of the Compliance Division, who shall notify constituent unit heads of such referrals. Oral reports and referrals to the Department of Justice shall be confirmed by written memorandums, with copies to the constituent unit head. The Compliance Division shall be the sole liaison office with the Department of Justice concerning criminal matters referred to that Department.

## Section 12

### PUBLICATIONS CLEARANCE

#### CLEARANCE REQUIREMENTS

All publications<sup>1</sup> prepared or initiated by organizational units of the Office of the Administrator or by the Urban Renewal Administration or the Community Facilities Administration shall be cleared with the Office of Public Affairs. It is suggested that plans for major publications be discussed informally with the Office of Public Affairs before submission of the completed publication for approval.

Form H-20, *Requisition for Graphics and Reproduction Services*, shall, for requisitions for publications, bear the clearance signature of the constituent unit commissioner or deputy commissioner, or the head of the OA office concerned.

#### PERIODICALS

Publications which are periodicals require approval of the Bureau of the Budget. Periodicals are defined as publications issued semiannually or more often for the purpose of disseminating information with continuing policy as to format, specifications, content, and purpose. The term is not construed as applying to strictly administrative reports, memoranda, and similar materials, or to statistical materials, and information required exclusively for the official use of the issuing office in the transaction of its routine business.

Prior to publication of a periodical, the issuing office will prepare, for the signature of the Administrator, a letter to the Director of the Bureau of the Budget, requesting approval of the periodical in accordance with the requirements of the Bureau of the Budget Circular No. A-3. The certificate of necessity will be included as the last paragraph of the letter. The letter and, if available, a copy of the proposed periodical, will be transmitted to the Office of Public Affairs for further processing.

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<sup>1</sup> A publication, as the term is used in this Section, is any printed or duplicated document or periodical prepared or financed by the Office of the Administrator or a constituent unit which is offered for public sale or distribution. The term includes pamphlets, booklets, graphic presentations, newsletters, technical and advisory bulletins or reports, compilations of data relating to Agency programs or housing generally, and similar material. The term "publication" does not include procedures or Manual materials or technical information and data designed primarily for operational or administrative Agency use.

## Section 13

### MEETINGS INVOLVING REGIONAL STAFF

All Central Office officials planning staff meetings involving participation by Regional Office personnel shall submit an annual plan to the Administrator through the Assistant Administrator (Administration) at least 30 days prior to July 1 of each fiscal year.<sup>1</sup> The annual plan shall provide the following information for each meeting anticipated during the year: (a) purpose; (b) dates; (c) location; (d) list of all participants by name or title; and (e) an estimate of travel requirements (days, cost, and program chargeable).

The Assistant Administrator (Administration) will review the plans for availability of travel funds and timing of meetings in relation to each other, and present a consolidated plan to the Administrator for approval. Copies of the consolidated plan, as approved by the Administrator, will be distributed to initiating officials, the Director of the OA Division of Budget and Management, the Director of the OA Division of Personnel, and Regional Administrators.

Funds will be reserved by the Division of Budget and Management to support those meetings included in the approved consolidated plan.

Meetings not included in the approved consolidated plan, or changes in purpose, dates, location, or participants of meetings approved in the annual plan will require special approval of the Administrator. Requests for such approval shall be by memorandum, submitted through the Assistant Administrator (Administration).

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<sup>1</sup> Training meetings, which are approved and have funds provided through special procedures, need not be included in the annual plans.

## **Section 14**

### **VACANCY REVIEWS**

Section 1007 of the Postal Service and Federal Employee Salary Act of 1962 provides that "the heads of the executive branch activities concerned are directed to review with meticulous care each vacancy resulting from voluntary resignations, retirement, or death, and to determine whether the duties of the position can be abolished without seriously affecting the execution of essential functions."

In addition, the President and the Director, Bureau of the Budget have directed each agency to undertake a vigorous and continued effort to eliminate non-essential activities and positions, and to increase productivity by improved manpower control and utilization and strengthened supervision.

#### **Purpose**

The purpose of this Section is to establish, as a part of the Agency's program for implementing the Act and the directives cited above, a procedure for making a detailed review of the essentiality and grade level of each position in which a vacancy occurs.

#### **Definition**

In this procedure, "vacancy" means a budgeted position which is vacant for any reason, including promotion, transfer or reassignment, resignation, retirement, or death.

#### **Review and Recommendations of Supervisors**

Whenever a vacancy occurs, the immediate supervisor of the position shall review the duties and functions of the position and its relationship to the rest of the organization unit, with a view to abolishing the position or filling it at a lower grade.

If the supervisor determines that the position can be abolished, he shall immediately initiate a memorandum to that effect. For positions in CFA or URA the memorandum shall be addressed to the Commissioner; in the OA, the memorandum shall be addressed to the Assistant Administrator (Administration). The memorandum shall be routed for review and concurrence through supervisory channels, and copies shall be provided for the OA Budget Branch and the Classification Section.

If the supervisor has any doubt whether it is necessary to fill a vacant position at the same grade, he should recommend that action to fill the

position not be initiated for a period of 60 days, during which he will conduct a detailed review of other alternatives for performance of the required functions.

If the supervisor determines that it is necessary to fill the vacant position, he shall initiate a Standard Form 52 requesting that the vacant position be filled. He shall execute a certification on the reverse side of Form 52, item F, "Remarks by Requesting Office," if his recommendation is to fill the position at a reduced grade, as follows:

"I have reviewed the duties of this position during a review period of——days, and determined that the position cannot be abolished without seriously affecting the execution of essential functions, as follows:

He shall then specify the essential functions involved and the reasons why abolition of the position would seriously affect their execution.

If his recommendation is to fill the position at the same grade, his certification shall read ". . . cannot be abolished *nor the grade reduced* without seriously affecting . . ." and his statement shall include the basis for this recommendation.

The supervisor shall then sign the certification on the SF 52 and route the form through supervisory channels for review and approval.

#### **Responsibility for Review and Final Determination**

Recommendations of immediate supervisors for the abolition of positions or for the filling of vacancies, and the grade at which they need to be filled, shall be routed through supervisory channels to the appropriate OA office head or constituent unit commissioner for approval.

Surnames of recommending and approving officials shall appear on the memorandum or the Form SF-52 following the certification of the immediate supervisor.

Approving officials shall require a 60-day waiting period for further study of the necessity for filling the position in any case where such study might prove the feasibility of eliminating the position or redistributing the functions presently assigned to it in order to reduce the present grade of the position.

#### **Reports**

The CFA and URA Directors of Administrative Management shall report quarterly to the OA Division of Budget and Management with respect to the disposition of each vacancy arising, and each vacancy on which final disposition was made, during the quarter.

## **Section 15**

### **MAILING LISTS**

#### **PURPOSE**

This issuance sets forth policies and procedures for establishment, maintenance, and use of mailing lists in the Office of the Administrator and constituent units.

#### **DEFINITIONS**

Mailing lists include both internal and external groupings of ten or more addressees used for the regular or intermittent distribution of Agency printed material and are defined as:

- a) Informational mailing lists, which are used to distribute releases, reports, information pamphlets, publications, invitations to bid, or other similar material, and
- b) Directive or Directory mailing lists, which are used primarily to distribute manuals, directives, directories, or other similar material to individuals or Federal, State, and local agencies engaged in carrying out programs of the HHFA.

Sponsoring office means the organization unit which initiates a request for establishment of a particular mailing list.

#### **GENERAL POLICY**

Authority with regard to establishment, use, maintenance, and control of mailing lists shall be in the Deputy Administrator.

Mailing lists shall be used to distribute only that material which is directly related to and necessary for achievement of program goals. Unless otherwise authorized by law such material shall be sent only in response to a specific and reasonably current request, as indicated by polling requirements set forth below.

The Agency will avoid duplication in maintenance of records of current, approved mailing lists, and will use mechanized equipment as far as possible, to reduce costs. The sponsoring office, subject to requirements spelled out in this issuance, shall be responsible for determining changes, additions and deletions to be made to its lists. It will not maintain lists or card files. The Division of General Services (referred to hereafter as the Division) shall be responsible for the maintenance of all mailing lists, and for providing current listings to the sponsoring office on request.

Whenever feasible, mailing lists shall use titles rather than names, and shall follow a uniform address format established by the Division. An individual list shall not combine Agency and non-Agency addressees.

#### **ESTABLISHMENT**

The sponsoring office shall submit a memorandum request for each proposed mailing list through the Assistant Administrator (Public Affairs) to the Deputy Administrator for approval. The memorandum request shall be in duplicate and contain the following information:

- a. Purpose of list, as related to one or more specific Agency programs,
- b. Specific categories of persons or organizations intended to be included,
- c. Number of addressees initially proposed, and number anticipated to be added during first year,
- d. Anticipated items to be mailed to list,
- e. Anticipated frequency of mailings, and
- f. An approval line.

The sponsoring office shall also have available on call by the Deputy Administrator or the Assistant Administrator (Public Affairs) a list of each of the initial addressees, following the uniform address format.

After approval by the Deputy Administrator, the original shall be forwarded to the Division for assignment of an identification code, preparation of mailing plates, and return of a proof listing of the new list to the sponsoring office for confirmation.

#### **MAINTENANCE**

The sponsoring office shall notify the Division of new entries, changes, and deletions on a standard format prescribed by the Division. The Division shall have plates altered, added, or deleted, accordingly, and promptly return a proof to the sponsoring office.

The Division shall poll each informational mailing list annually. Poll cards shall provide for indication of (a) whether the addressee wishes to remain on the list; (b) identification of the organization or activity represented by the addressee; and (c) nature of addressee's need for the material. The Division shall prepare a roster of proposed deletions consisting of those addressees from whom a positive response has not been received within 30 days after the date of polling and promptly forward the roster to the sponsoring office.

The sponsoring office may request that selected addressees remain on the mailing list pending further consideration; and may also request repolling of selected addressees who failed once to reply. The Division shall delete those addressees concerning which the sponsoring agency

makes no such request, or concerning which the sponsoring agency makes no response within two weeks after receiving the roster from the Division.

The Division may at any time make proposals to the sponsoring office for improvements such as consolidation of separate lists or deletions from a list, such deletions to include but not be limited to addressees which appear to be outside the categories defined for the list, and any evident duplications of addressees, such as may occur for example through dual listing by proper name as well as by official title. The sponsoring office shall review such information promptly, and authorize all possible changes to reduce the volume of address plates required, lessen the burden of polling, and minimize storage and handling costs.

The Division shall poll each Directive or Directory mailing list as requested by the sponsoring office in the manner provided in the second paragraph above, and without removing names from the list shall forward to the sponsoring office the results of the poll. The sponsoring office shall review each Directive or Directory list with the polling results and within 30 days shall return a revised list to the Division, eliminating all unnecessary entries.

#### **REQUEST PROCEDURE**

Requests for use of mailing lists should be made by means of Form H-20, *Requisition for Graphics and Reproduction Services*, filled in and submitted as prescribed in Section 6-1 of Volume III, HHFA Manual Series, and specifying the mailing list(s) to be used. A copy of the material to be distributed should be attached to the requisition.

#### **USE OF LISTS BY OTHER THAN SPONSORING OFFICE**

Mailing lists may be used by any office with a legitimate need, provided that (a) the list is well suited to the intended use, (b) the intended use is directly related to and necessary for the achievement of the functions or program goals of the using office, and (c) mailings made from a list by other than the sponsoring office shall be approved after such consultation as he deems appropriate by the Assistant Administrator (Public Affairs) on review of the Form H-20.

#### **CANCELLATION**

Authority to cancel lists is vested in the Deputy Administrator. Whenever a mailing list has not been used for twelve months, the Assistant Administrator (Administration), after consultation with the sponsoring office, shall recommend to the Deputy Administrator either that it be canceled, or continued for a period not to exceed six months, and shall send a copy of the recommendation to the sponsoring office.

**REPORTS**

Annually on or before July 30, the Assistant Administrator (Administration) shall report to the Deputy Administrator on all mailing lists in existence on June 30 of that year, giving the following information and proposals for each list:

- a. Stated purpose of list,
- b. Date of last polling,
- c. Categories of persons or organizations included,
- d. Number of mailings during period July 1-June 30
- e. Number of entries added, net, during year; and total as of June 30, and
- f. Number of entries recommended for deletion, or other recommendations for improvement, made to the sponsoring office by the Division during the year; and the number of such recommendations on which action has not been authorized by the sponsoring office.

The report shall also include recommended consolidations of lists to reduce costs, and any other recommendations to improve the operation and economy of mailing list activities.

PERSONNEL  
ADMINISTRATION

2



## Part 2. Personnel Administration

## Chapter 1. Personnel Administration, General

## Section 2

## SECURITY PROGRAM

This Section prescribes policies and procedures, pursuant to the Act of August 26, 1950 (64 Stat. 476) and Executive Order No. 10450 of April 27, 1953, relating to the security program of the Office of the Administrator and the constituent units.

## POLICY

The interests of the national security require that all persons privileged to be employed in the departments and agencies of the Government shall be reliable, trustworthy, of good conduct and character, and of complete and unswerving loyalty to the United States.

Only those persons whose employment or retention in employment is found to be clearly consistent with the interests of national security, therefore, shall be employed or retained in employment.

The term *national security*, as used herein, relates to the protection and preservation of the military, economic, and productive strength of the United States, including the security of the Government in domestic and foreign affairs, against or from espionage, sabotage, and subversion, and any and all other illegal acts designed to weaken or destroy the United States.

The policies and procedures contained in this Section are designed to insure that all persons seeking employment or employed in the Office of the Administrator and the constituent units receive fair, impartial, and equitable treatment and that they be adjudged by mutually consistent and no less than minimum standards and procedures, both within the Office of the Administrator and the constituent units and in relationship to the other departments and agencies of the Government.

The use of procedures pertaining to the suspension and removal of employees as authorized by said act of August 26, 1950, will be limited to cases in which the interests of national security are involved. These procedures are supplementary *only* and are not to be substituted for the usual civil service removal procedures. Normal civil-service procedures will be used to the maximum extent where national security is not involved and when said procedures are adequate and appropriate.

## SECURITY STANDARDS

Information regarding an applicant for employment or an employee which may preclude a finding that his employment or retention in employment is clearly consistent with the interests of the national security, shall relate, but shall not be limited, to the following:

- (1) Depending on the relation of the Government employment to the national security—
  - (a) Any behavior, activities, or associations which tend to show that the individual is not reliable or trustworthy.

- (b) Any deliberate misrepresentations, falsifications, or omissions of material facts.
  - (c) Any criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, habitual use of intoxicants to excess, drug addiction, or sexual perversion.
  - (d) Any illness, including any mental condition, of a nature which in the opinion of competent medical authority may cause significant defect in the judgment or reliability of the employee, with due regard to the transient or continuing effect of the illness and the medical findings in such case.
  - (e) Any facts which furnish reason to believe that the individual may be subjected to coercion, influence, or pressure which may cause him to act contrary to the best interests of the national security.
- (2) Commission of any act of sabotage, espionage, treason, or sedition, or attempts thereat or preparation therefor, or conspiring with, or aiding or abetting, another to commit or attempt to commit any act of sabotage, espionage, treason, or sedition.
  - (3) Establishing or continuing a sympathetic association with a saboteur, spy, traitor, seditionist, anarchist, or revolutionist, or with an espionage or other secret agent or representative of a foreign nation, or any representative of a foreign nation whose interests may be inimical to the interests of the United States, or with any person who advocates the use of force or violence to overthrow the government of the United States or the alteration of the form of government of the United States by unconstitutional means.
  - (4) Advocacy of use of force or violence to overthrow the government of the United States, or of the alteration of the form of government of the United States by unconstitutional means.
  - (5) Membership in, or affiliation or sympathetic association with, any foreign or domestic organization, association, movement, group, or combination of persons which is totalitarian, Fascist, Communist, or subversive, or which has adopted, or shows, a policy of advocating or approving the commission of acts of force or violence to deny other persons their rights under the Constitution of the United States, or which seeks to alter the form of government of the United States by unconstitutional means.
  - (6) Intentional, unauthorized disclosure to any person of security information, or of other information disclosure of which is prohibited by law, or wilful violation or disregard of security regulations.
  - (7) Performing or attempting to perform his duties, or otherwise acting, so as to serve the interests of another government in preference to the interests of the United States.
  - (8) Refusal by the individual, upon the ground of constitutional privilege against self incrimination, to testify before a congressional committee regarding charges of his alleged disloyalty or other misconduct.

**SENSITIVE POSITIONS**

The term *sensitive position*, as used in this Section, means any position the occupant of which could bring about because of the nature of the position, a material adverse effect on the national security. Such positions shall include, but shall not be limited to, any position the occupant of which (1) may have access to security information or material classified as *confidential, secret, or top secret*, or any other information or material having a direct bearing on the national security, or (2) may have opportunity to commit acts directly or indirectly adversely affecting the national security.

It is the policy of the Administrator to restrict to the greatest possible extent the number of positions to which duties requiring the designation of a position as sensitive are assigned. The Security Officer shall consult with constituent unit and division heads to the end that, whenever possible, duty assignments requiring the designation of a position as sensitive shall be made only to a minimum number of positions.

**Designation of Sensitive Positions**

The Security Officer, in consultation with constituent unit and division heads, is responsible for designating sensitive positions.

When the Security Officer designates a position as sensitive, he shall notify, by memorandum, the head of the organization in which the position is located, the Director of Personnel, and the incumbent of the position, if any. Future incumbents of the position shall similarly be notified of the designation.

**Revocation of Designations**

The Security Officer shall make a semi-annual review of the list of positions designated as sensitive to determine whether any such designation should be revoked. When the Security Officer finds, as a result of his review or upon the advice of the constituent unit or division head, that the duties assigned a sensitive position no longer require that it be designated as sensitive, he shall revoke the designation of that position.

When the Security Officer revokes the designation of a position as sensitive, he shall notify, by memorandum, the head of the organization in which the position is located, the Director of Personnel, and the incumbent of the position, if any.

**SECURITY INVESTIGATIONS**

Security investigations conducted pursuant to this Section are designed to develop information as to whether employment or retention in employment of the person being investigated is clearly consistent with the interests of the national security.

**New Appointments**

Every appointment made to a position shall be made subject to investigation, and the notification of personnel action given the appointee shall so state. The scope of the investigation required is determined by the degree of adverse effect the appointee could bring about, by virtue of the nature of the position, on the national security. In no event will the investigation include less than a national agency check (including a check of the finger print files of the Federal Bureau of Investigation) and written inquiries to appropriate local law-enforcement agencies, former employers and supervisors, references, and schools and colleges attended by the person under investigation. With the approval of the Civil Service Commission, however, the minimum investigation requirement may be waived with respect to per diem, intermittent, temporary, or seasonal employees and aliens employed outside the United States.

Should information develop at any stage of investigation indicating that the employment of an appointee may not be clearly consistent with the interests of the national security, a full field investigation, or such less investigation as shall be sufficient to enable the Administrator to determine whether retention of such person is clearly consistent with the interests of the national security, will be conducted by the investigating agency.

**Occupants of Sensitive Positions**

No sensitive position shall be filled or occupied by any person with respect to whom a full field investigation has not been conducted. However, a person occupying a sensitive position at the time it is designated as such may continue to occupy the position pending the completion of a full field investigation and, in case of emergency, a sensitive position may be filled by a person with respect to whom a full field investigation has not been completed, pending completion of the investigation, if the Administrator finds that such action is necessary in the national interest.

**Responsibility for Investigation**

Under Executive Order No. 10450, security investigations covering employees will be conducted by the Civil Service Commission. Whenever a security investigation being conducted with respect to an employee of the Office of the Administrator or a constituent unit develops information relating to any of the matters described in subdivisions 2 through 8 of the subsection entitled "Security Standards," above, or indicates that an employee has been subject to coercion, influence, or pressure to act contrary to the interest of the national security, the Civil Service Commission will refer the matter to the Federal Bureau of Investigation for a full field investigation.

**Procedure**

Contacts with the security investigation agencies of the Civil Service Commission and the Federal Bureau of Investigation shall be handled by or with the knowledge of the Security Officer.

The Director of Personnel is responsible for obtaining from applicants and employees the forms necessary to initiate the appropriate security investigation and for submitting such forms to the investigative agency. The Security Officer shall be shown as the person to whom all investigation reports are to be sent.

If, during the course of necessary record and reference checks, any derogatory information is developed, or it is disclosed that reports of investigation are in existence, the Director of Personnel shall advise the Security Officer and shall furnish him with all available information concerning the proposed personnel action. The Director of Personnel shall also advise the Security Officer whenever any employee is separated or the reassignment of a present employee from a non-sensitive to a sensitive position is proposed.

When the appointment of a per diem, intermittent, temporary, or seasonal employee or of an alien outside the United States, is involved, the Security Officer may recommend to the Civil Service Commission that the minimum investigation requirements be waived if, in his judgment, the nature of the position is such that a waiver will be consistent with the interests of the national security. When a waiver is granted it shall be the responsibility of the Director of Personnel to conduct such less investigation as will meet the requirements of the national security.

In the case of a sensitive position, the Security Officer may, if he finds after consultation with the Director of Personnel and the head of the constituent unit or division in which the position is located that it is essential to fill the position prior to the completion of a full field investigation, so recommend to the Administrator. No such recommendation shall be made however, until a national agency check in which no derogatory information is revealed has been made. The recommendation shall clearly state the emergency conditions making such action essential and that the national agency check reveals no derogatory information. The Administrator's approval and finding that such action is necessary in the national interest shall be made a part of the employee's official personnel folder.

#### EVALUATION OF INFORMATION

Security investigation reports received from the Civil Service Commission and the Federal Bureau of Investigation, or information received from any other source which (1) in the case of the occupant of a sensitive position, relates to any of the matters set forth under the subsection headed "Security Standards," above, or (2) in the case of the occupant of a non-sensitive position, relates to any of the matters set forth in item 1(e) or items (2) through (8) of the subsection cited, shall be referred immediately to the Security Officer for evaluation. Information, other than reports of investigation, which in the case of the occupant of a non-sensitive position relates to any of the matters set forth in items 1(a) through 1(d) of the subsection cited, shall be referred initially to the Director of Personnel, who shall im-

mediately consult with the Security Officer to insure that the material is not one which should be handled under the provisions of this Section.

The Security Officer may make such inquiries and may request an investigating agency to conduct such additional investigation, as may be necessary fully to develop the data required for a review of a particular case.

If the Security Officer finds, upon his review of the case, that there is no derogatory information relating to any of the matters described in the subsection headed "Security Standards," above, or that such derogatory information as there may be has no relationship to the national security, he shall make a positive determination that the employment or retention in employment of that person is clearly consistent with the interests of the national security. Written evidence of the determination shall be made a part of the employee's official personnel folder. Action under this paragraph closes the case as a security matter unless newly-discovered information is disclosed. It does not, however, preclude action by the Director of Personnel to recommend disciplining or dismissing the employee when derogatory information relates to an offense which, although the interests of the national security are not involved, is nevertheless grounds for action under other laws and regulations relating to Federal employment; nor does any action initiated by the Director of Personnel preclude action under the security regulations when such action is appropriate. The Security Officer shall refer derogatory information initially received by him and which has no relationship to the national security to the Director of Personnel.

If the Security Officer finds, upon his review of the case, that there is derogatory information relating to any of the matters described in the subsection headed "Security Standards," above, and that there is a relationship to the national security, he shall evaluate such information from the standpoint of the security of the Agency and shall forward the file, with his evaluation, to the Administrator or his designee. The Security Officer's evaluation shall show the specific relationship that the case under consideration has to the national security and his recommended action.

#### **ACTION ON DEROGATORY INFORMATION**

Upon receipt of the file and evaluation from the Security Officer, the Administrator or his designee shall make an immediate positive determination:

- (1) That the employment or retention in employment of the person is clearly consistent with the interests of the national security. A memorandum outlining the basis for such determination and closing the case shall be made a part of the investigation file and written evidence of the determination shall be made a part of the employee's official personnel folder.

- (2) That, in the interests of the national security, the employee shall be suspended immediately. A memorandum outlining the basis for such determination shall be made a part of the investigation file and written notice to effect the suspension shall be sent to the Director of Personnel. An employee suspended under Executive Order No. 10450 may, in the discretion of the Administrator or his designee and at the employee's request, be paid bi-weekly during the suspension period at the rate of pay in effect on the date of suspension, tentatively on the basis, and to the extent that such payments in the aggregate do not exceed the money equivalent, of the accrued annual leave to his credit on the date of suspension, with the understanding that, if he is subsequently restored to duty, the annual leave account so charged will be recredited in lieu of payment of an equivalent amount of the compensation allowable under Public Law 733, 81st Congress. However, no such payments can be made where there is being considered a suspected violation either of Section 9A of the Hatch Act or of an Appropriation Act provision similar to that in Section 301 of the First Independent Offices Appropriation Act, approved July 31, 1953.<sup>1</sup>
- (3) That, because of the presence of ameliorating circumstances, the interests of the national security will be met if the employee is retained on duty temporarily in a position in which the interest of the national security cannot be affected by the employee. Such action shall be effective only pending further inquiry and final determination as to the disposition of the case and shall in no case be taken without the concurrence of the Security Officer. A memorandum outlining the basis for such determination shall be made a part of the investigation file.

Action under subparagraph (1) closes the case as a security matter unless newly-discovered information is disclosed. It does not, however, preclude further action by the Director of Personnel to recommend disciplining or dismissing the employee when the derogatory information relates to an offense which, although the employment or retention in employment of the person is consistent with the interests of the national security, is nevertheless grounds for action under other laws and regulations relating to Federal employment. The Security Officer shall refer derogatory information in such cases to the Director of Personnel.

When action under subparagraph (3) is taken, the Administrator or his designee shall, upon completion of the inquiry and the receipt of further investigative data and the reevaluation of the Security Officer, make one or the other of the determinations outlined above in the subparagraphs numbered (1) and (2).

Factors which the Administrator or his designee shall take into consideration in making the determination required of him shall include, but are not limited to, (1) the seriousness of the derogatory

<sup>1</sup> See DCG B-117999, April 21, 1954.

information developed, (2) the possible access, authorized or unauthorized, of the employee to security information or material, and (3) opportunity, for reason of the nature of the position, for committing acts adversely affecting the national security.

#### PROCEDURE WHEN EMPLOYEE IS SUSPENDED

Whenever an employee is suspended under the provisions of this section, the Administrator or his designee shall furnish the employee, within 30 days after his suspension, a written statement of charges. Such statement shall be as specific and detailed as security considerations, including the need for protection of confidential sources of information, permit, and shall be subject to amendment within 30 days of issuance.

The suspended employee shall have the right to submit to the Office of General Counsel within 30 days after issuance or amendment of the statement of charges, statements and affidavits refuting or explaining the reasons stated for the suspension. Such statements and affidavits shall be considered by the Office of General Counsel for sufficiency and, after consultation with the Security Officer, a joint recommendation for the disposition of the case shall be made to the Administrator. If the Office of General Counsel and Security Officer are in disagreement, individual recommendation shall be made by them.

On the basis of the recommendation or recommendations of the Office of General Counsel and the Security Officer and of his own review of the case, including the opinion of the Security Hearing Board when a hearing is conducted under the provisions of the subsection entitled "Additional Procedure—Permanent and Indefinite Employees," the Administrator shall make his determination of the case:

- (1) If he finds that reinstatement of the suspended employee in the position from which he has been suspended is clearly consistent with the interests of the national security, he shall restore the employee to duty in such position and the employee shall be compensated for the period of suspension in accordance with Section 1 of the Act of August 26, 1950.
- (2) If he does not find that reinstatement in the position from which he has been suspended will be clearly consistent with the interests of the national security, but that employment of the suspended employee in another position is clearly consistent with the interests of the national security, he may restore the employee to duty in such other position, and the employee shall be compensated for the period of suspension in accordance with Section 1 of the Act of August 26, 1950.
- (3) If he does not find that reinstatement of the suspended employee to another position is clearly consistent with the interests of the national security, he shall terminate the employment of the suspended employee.

A memorandum outlining the basis for the Administrator's determination shall be made a part of the investigation file and written

evidence of the determination shall be made a part of the employee's official personal folder. The Director of Personnel shall take immediate action formally to effect the determination of the Administrator.

#### **ADDITIONAL PROCEDURE—PERMANENT AND INDEFINITE EMPLOYEES**

In addition to the foregoing provisions, which are applicable to all employees any employee who is a citizen of the United States, has a permanent or indefinite appointment, and has completed his probationary or trial period shall be entitled to a hearing before a Security Hearing Board. These procedures shall become effective, at the request of the employee, before the Administrator makes the determination required by the preceding subsection.

- (1) The opinion of the Board shall be in writing and shall be signed by all the members of the Board. One copy of the opinion, together with the complete record of the case and the investigation reports, shall be sent to the Administrator and one copy of the opinion alone shall be sent to the suspended employee.
- (2) The entire case shall be reviewed by the Administrator before a final determination is made by him. The review shall be based on a study of all the documents in the case, including the record of the hearing before the Board.
- (3) The employee shall be furnished a written statement of the decision of the Administrator.

#### **SECURITY HEARING BOARDS**

Security Hearing Boards shall be composed of three civilian officers or employees of the Federal Government, appointed by the Administrator from a roster maintained by the Civil Service Commission.

No officer or employee of the Office of the Administrator or of any constituent of the Housing and Home Finance Agency, shall serve as a member of a Security Hearing Board hearing the case of an Agency employee.

No person shall serve as a member of a Security Hearing Board hearing the case of an employee with whom he is acquainted.

Whenever the Civil Service Commission shall request the Administrator to nominate employees to the Security Hearing Board roster, for service on Boards appointed to hear cases arising in other Federal agencies, the Director of Personnel, in consultation with the Security Officer, shall propose to the Administrator the names of one or more persons who meet the criteria set forth in the following paragraph.

Officers and employees nominated to the Security Hearing Board roster maintained by the Civil Service Commission shall be persons of responsibility, unquestioned integrity, and sound judgment. Each nominee shall have been the subject of a full field investigation, and his nomination shall be determined to be clearly consistent with the interest of the national security.

**HEARING PROCEDURE**

The Security Officer shall be responsible for arranging for the designation of a Security Hearing Board to hear a particular case, making all the necessary arrangements for the hearing, presenting a complete record of the case to the Board, including a summary of the reasons for suspension, and obtaining any additional information requested by the Board.

The Administrator shall be represented at the hearing by a person designated by him. Such representative shall aid the Board in its determination as to procedure, and may upon request of the Board, assist by questioning witnesses. Upon request of the employee, the Administrator's representative shall advise the employee of his rights before the Board.

Hearings before the Board shall be conducted in an orderly, dignified, and decorous manner, and shall be expedited as much as possible. Testimony shall be given under oath or affirmation.

Hearings shall be private. There shall be present at the hearing only the members of the Board, the reporter or reporters, the employee, his counsel, Agency employees concerned, and the witnesses. Witnesses shall be present at the hearing only when actually giving testimony. The Security Officer may be present at the hearing if requested by the Board, but he shall take no active part in the proceedings.

The Board shall take whatever action is necessary to insure the employee a full and fair consideration of his case. The employee shall be informed by the Board of his right (1) to participate in the hearings, (2) to be represented by counsel of his choice, (3) to present witnesses and offer other evidence in his own behalf and in refutation of the charges brought against him, and (4) to cross-examine any witness offered in support of the charges.

The Hearing shall be opened by the reading of the letter setting forth the charges against the employee, and the statements and affidavits by the employee in answer to such charges.

Both the Office of the Administrator and the employee may introduce such evidence as the Board may deem proper in the particular case.

The employee or his counsel shall have the right to control the sequence of witnesses called by him. Reasonable cross-examination of witness by the employee or his counsel shall be permitted.

The Board may, in its discretion, invite any person to appear at the hearing and testify. However, the Board shall not be bound by the testimony of a witness by reason of having called him, and shall have full right to cross-examine him.

Rules of evidence shall not be binding on the Board, but reasonable restrictions shall be imposed as to the relevancy, competency, and materiality of matters considered, so that the hearings shall not be unduly prolonged.

The Board shall conduct the proceedings in such a manner as to protect from disclosure information affecting the national security or tending to disclose or compromise investigative sources or methods. If the employee is, or may be, handicapped by the non-disclosure to him of confidential information or by lack of opportunity to cross-examine confidential informants, the Board shall take that fact into consideration. If a person who has made charges against the employee and who is not a confidential informant is called as a witness but does not appear, his failure to appear shall be considered by the Board in evaluating such charges, as well as the fact that there can be no payment for travel of witnesses.

The Board shall give due consideration to documentary evidence developed by investigation, including party membership cards, petitions bearing the employee's signature, books, treatises or articles written by the employee, and testimony by the employee before duly constituted authorities. The fact that such evidence has been considered shall be made a part of the transcript of the hearing.

A complete verbatim transcript shall be made of the hearing by qualified reporters, and the transcript shall constitute a permanent part of the record. Upon request, the employee or his counsel shall be furnished a copy of the transcript.

The Board shall reach its conclusions and base its determination on the transcript of the hearing, together with such confidential information as it may have in its possession. The Board, in making its determination, shall take into consideration the inability of the employee to meet charges of which he has not been advised, because of security reasons, specifically or in detail, or to attack the creditability of witnesses who do not appear.

The opinion of the Board shall be in writing, and shall be signed by all members of the Board.

#### **READJUDICATION OF CERTAIN CASES**

The Security Officer shall review the cases of employees of the Office of the Administrator and the constituent units with respect to whom there has been conducted a full field investigation under Executive Order No. 9835. After such further investigation as may be appropriate, such of those cases as have not been adjudicated under a security standard commensurate with that established by Executive Order No. 10450 shall be readjudicated.

The procedure to be followed in readjudication parallels that described in the subsections entitled "Evaluation of Information" and "Action on Derogatory Information," above.

#### **NOTICE TO CIVIL SERVICE COMMISSION**

The Director of Personnel shall furnish copies of all notifications of personnel action taken in security cases to the Civil Service Commission.

**REEMPLOYMENT**

No person whose employment has been terminated by any department or agency pursuant to the provisions of the Act of August 26, 1950, Executive Order No. 9835, or any other security or loyalty program, shall be employed in the Office of the Administrator or the constituent units unless the Administrator finds that such employment is clearly consistent with the interests of the national security. In cases where the employee was terminated by a department or agency other than the Office of the Administrator or a constituent unit, the Civil Service Commission must also determine that such person is eligible for such employment. The finding of the Administrator and the determination of the Civil Service Commission, if any, shall be made a part of the official personnel folder of the person concerned.

When the employment of any person whose employment has previously been so terminated is proposed, the Director of Personnel shall immediately advise the Security Officer.

The Security Officer shall, after such investigation and inquiry as he deems necessary, including the securing of an eligibility determination from the Civil Service Commission when this is required, recommended to the Administrator that (1) the person not be reemployed or (2) the finding required above be made.

**EMPLOYEES ON POINT IV ASSIGNMENTS**

Security investigations in connection with overseas assignments under the Point IV program are arranged by the Foreign Operations Administration and the reports of investigation are evaluated by that agency. OA employees on domestic Point IV assignments are subject to these security regulations.

### Appendix I—Organizations within the Purview of EO 10450

In promulgating EO 10450, the President has reiterated the principle that all persons seeking the privilege of employment or privileged to be employed in the departments and agencies of the Government shall be adjudged by minimum standards and by procedures which are mutually consistent among the departments and agencies of the Federal Government. Membership in, affiliation with or sympathetic association with, any organization designated pursuant to this Executive Order is but one of the factors by which a department or agency shall reach its determination as to whether the employment or retention in employment in the Federal service of the person being investigated is clearly consistent with the interests of the national security.

The Executive Order provides that the Department of Justice shall furnish to the heads of departments and agencies current information as to those organizations which are within the purview of EO 10450.

These organizations are listed below:

Communist Party, U.S.A., its subdivisions, subsidiaries and affiliates  
Communist Political Association, its subdivisions, subsidiaries and affiliates, including:

Alabama People's Educational Association  
Florida Press and Educational League  
Oklahoma League for Political Education  
People's Educational and Press Association of Texas  
Virginia League for People's Education

Young Communist League

#### Designation of Organizations in Connection with the Federal Employee Security Program

Abraham Lincoln Brigade  
Abraham Lincoln School, Chicago, Illinois  
Action Committee to Free Spain Now  
American Association for Reconstruction in Yugoslavia, Inc.  
American Branch of the Federation of Greek Maritime Unions  
American Christian Nationalist Party  
American Committee for European Workers' Relief  
American Committee for Protection of Foreign Born  
American Committee for Settlement of Jews in Birobidjan, Inc.  
American Committee for Spanish Freedom  
American Committee to Survey Labor Conditions in Europe  
American Committee for Yugoslav Relief, Inc.  
American Council for a Democratic Greece, formerly known as the  
Greek American Council; Greek American Committee for National  
Unity  
American Council on Soviet Relations  
American Croatian Congress  
American Jewish Labor Council  
American League Against War and Fascism

American League for Peace and Democracy  
American National Labor Party  
American National Socialist League  
American National Socialist Party  
American Nationalist Party  
American Patriots, Inc.  
American Peace Crusade  
American Peace Mobilization  
American Poles for Peace  
American Polish Labor Council  
American Polish League  
American Rescue Ship Mission (a project of the United American Spanish Aid Committee)  
American-Russian Fraternal Society  
American Russian Institute, New York, also known as the American Russian Institute for Cultural Relations with the Soviet Union  
American Russian Institute, Philadelphia  
American Russian Institute of San Francisco  
American Russian Institute of Southern California, Los Angeles  
American Slav Congress  
American Women for Peace  
American Youth Congress  
American Youth for Democracy  
Armenian Progressive League of America  
Associated Klans of America  
Association of Georgia Klans  
Association of German Nationals (Reichsdeutsche Vereinigung)  
Ausland-Organization der NSDAP, Overseas Branch of Nazi Party  
Baltimore Forum  
Benjamin Davis Freedom Committee  
Black Dragon Society  
Boston School for Marxist Studies, Boston, Massachusetts  
Bridges-Robertson-Schmidt Defense Committee  
Bulgarian-American Peoples League of the United States of America  
California Emergency Defense Committee  
California Labor School, Inc., 321 Divisadero Street, San Francisco, California  
Carpatho-Russian People's Society  
Central Council of American Women of Croatian Descent, also known as Central Council of American Croatian Women, National Council of Croatian Women  
Central Japanese Association (Biekoku Chuo Nipponjin Kai)  
Central Japanese Association of Southern California  
Central Organization of the German-American National Alliance (Deutsche-Amerikanische Einheitsfront)

Cervantes Fraternal Society  
 China Welfare Appeal, Inc.  
 Chopin Cultural Center  
 Citizens Committee to Free Earl Browder  
 Citizens Emergency Defense Conference  
 Citizens Committee for Harry Bridges  
 Citizens Committee of the Upper West Side (New York City)  
 Citizens Protective League  
 Civil Liberties Sponsoring Committee of Pittsburgh  
 Civil Rights Congress and its affiliated organizations, including:  
     Civil Rights Congress for Texas  
     Veterans Against Discrimination of Civil Rights Congress of New York  
 Columbians  
 Comite Coordinator Pro Republica Espanola  
 Comite Pro Derechos Civiles  
     (See Puerto Rican Comite Pro Libertades Civiles)  
 Committee to Abolish Discrimination in Maryland  
     (See Congress Against Discrimination;  
     Maryland Congress Against Discrimination;  
     Provisional Committee to Abolish Discrimination in the  
     State of Maryland)  
 Committee to Aid the Fighting South  
 Committee for Constitutional and Political Freedom  
 Committee to Defend the Rights and Freedom of Pittsburgh's  
     Political Prisoners  
 Committee for the Defense of the Pittsburgh Six  
 Committee for a Democratic Far Eastern Policy  
 Committee for Nationalist Action  
 Committee for Peace and Brotherhood Festival in Philadelphia  
 Committee for the Protection of the Bill of Rights  
 Committee to Uphold the Bill of Rights  
 Committee for World Youth Friendship and Cultural Exchange  
 Committee to Defend Marie Richardson  
 Committee for the Negro in the Arts  
 Commonwealth College, Mena, Arkansas  
 Communist Party, U.S.A., its subdivisions, subsidiaries, and affiliates  
 Communist Political Association, its subdivisions, subsidiaries and  
     affiliates, including:  
     Alabama People's Educational Association  
     Florida Press and Educational League  
     Oklahoma League for Political Education  
     People's Educational and Press Association of Texas  
     Virginia League for People's Education  
 Connecticut Committee to Aid Victims of the Smith Act  
 Connecticut State Youth Conference  
 Congress Against Discrimination  
     (See Committee to Abolish Discrimination in Maryland)  
 Congress of American Revolutionary Writers  
 Congress of American Women  
 Congress of the Unemployed  
 Council on African Affairs

Council of Greek Americans  
Council for Jobs, Relief and Housing  
Council for Pan-American Democracy  
Croatian Benevolent Fraternity  
Dai Nippon Butoku Kai (Military Virtue Society of Japan or  
Military Art Society of Japan)  
Daniels Defense Committee  
Daily Worker Press Club  
Dante Alighieri Society (between 1935 and 1940)  
Dennis Defense Committee  
Detroit Youth Assembly  
East Bay Peace Committee  
Elsinore Progressive League  
Emergency Conference to Save Spanish Refugees (founding body  
of the North American Spanish Aid Committee)  
Everybody's Committee to Outlaw War  
Families of the Baltimore Smith Act Victims  
Families of the Smith Act Victims  
Federation of Italian War Veterans in the U.S.A. Inc. (Associazione  
Nazionale Combattenti Italiani, Federazione degli Stati Uniti  
d'America)  
Finnish-American Mutual Aid Society  
Florida Press and Educational League (See Communist Political  
Association)  
Freedom Stage, Inc.  
Frederick Douglass Educational Center  
Friends of the New Germany (Freunde des Neuen Deutschlands)  
Friends of the Soviet Union  
Garibaldi American Fraternal Society  
George Washington Carver School, New York City  
German-American Bund (Amerikadeutscher Volksbund)  
German-American Republican League  
German-American Vocational League  
(Deutsche-Amerikanische Berufsgemeinschaft)  
Guardian Club  
Harlem Trade Union Council  
Hawaii Civil Liberties Committee  
Heimusha Kai, also known as Nokubei Heieki Gimusha Kai, Zaibel  
Nihonjin, Heiyaku Gimusha Kai, and Zaibei Heimusha Kai (Jap-  
anese Residing in America Military Conscripts Association)  
Hellenic-American Brotherhood  
Hinode Kai (Imperial Japanese Reservists)  
Hinomaru Kai (Rising Sun Flag Society—a group of Japanese War  
Veterans)  
Hokubei Zaigo Shoke Dan (North American Reserve Officers Asso-  
ciation)  
Hollywood Writers Mobilization for Defense  
Hungarian-American Council for Democracy  
Hungarian Brotherhood  
Idaho Pension Union

Independent Party  
(Seattle, Washington)  
(See Independent People's Party)  
Independent People's Party  
(See Independent Party)  
Industrial Workers of the World  
International Labor Defense  
International Workers Order, its subdivisions, subsidiaries and affiliates  
Japanese Association of America  
Japanese Overseas Central Society (Kaigai Dobo Chuo Kai)  
Japanese Overseas Convention, Tokyo, Japan, 1940  
Japanese Protective Association (Recruiting Organization)  
Jefferson School of Social Science, New York City  
Jewish Culture Society  
Jewish People's Committee  
Jewish People's Fraternal Order  
Jikyoku Iinkai (The Committee for the Crisis)  
Johnson-Forest Group  
(See Johnsonites)  
Johnsonites  
(See Johnson-Forest Group)  
Joint Anti-Fascist Refugee Committee  
Joint Council of Progressive Italian-Americans, Inc.  
Joseph Weydemeyer School of Social Science, St. Louis, Missouri  
Kibe Seinen Kai (Association of U.S. Citizens of Japanese Ancestry who have returned to America after studying in Japan)  
Knights of the White Camellia  
Ku Klux Klan  
Kyffhaeuser, also known as Kyffhaeuser League (Kyffhaeuser Bund)  
Kyffhaeuser Fellowship (Kyffhaeuser Kameradschaft)  
Kyffhaeuser War Relief (Kyffhaeuser Kriegshilfswerk)  
Labor Council for Negro Rights  
Labor Research Association, Inc.  
Labor Youth League  
League for Common Sense  
League of American Writers  
Lictor Society (Italian Black Shirts)  
Macedonian-American People's League  
Mario Morgantini Circle  
Maritime Labor Committee to Defend Al Lannon  
Maryland Congress Against Discrimination  
(See Committee to Abolish Discrimination in Maryland)  
Massachusetts Committee for the Bill of Rights  
Massachusetts Minute Women for Peace (not connected with the Minute Women of the U.S.A., Inc.)  
Maurice Braverman Defense Committee  
Michigan Civil Rights Federation  
Michigan Council for Peace  
Michigan School of Social Science

Nanka Teikoku Gunyudan (Imperial Military Friends Group or Southern California War Veterans)  
 National Association of Mexican Americans (also known as Association Nacional Mexico Americana)  
 National Blue Star Mothers of America (not to be confused with the Blue Star Mothers of America organized in February 1942)  
 National Committee for the Defense of Political Prisoners  
 National Committee for Freedom of the Press  
 National Committee to Win Amnesty for Smith Act Victims  
 National Committee to Win the Peace  
 National Conference on American Policy in China and the Far East (a Conference called by the Committee for a Democratic Far Eastern Policy)  
 National Council of Americans of Croatian Descent  
 National Council of American-Soviet Friendship  
 National Federation for Constitutional Liberties  
 National Labor Conference for Peace  
 National Negro Congress  
 National Negro Labor Council  
 Nationalist Action League  
 Nationalist Party of Puerto Rico  
 Nature Friends of America (since 1935)  
 Negro Labor Victory Committee  
 New Committee for Publications  
 Nichibei Kogyo Kaisha (The Great Fujii Theatre)  
 North American Committee to Aid Spanish Democracy  
 North American Spanish Aid Committee  
 Northwest Japanese Association  
 North Philadelphia Forum  
 Ohio School of Social Sciences  
 Oklahoma Committee to Defend Political Prisoners  
 Oklahoma League for Political Education (See Communist Political Association)  
 Original Southern Klans, Incorporated  
 Pacific Northwest Labor School, Seattle, Washington  
 Palto Alto Peace Club  
 Partido del Pueblo of Panama (operating in the Canal Zone)  
 Peace Information Center  
 Peace Movement of Ethiopia  
 People's Drama, Inc.  
 People's Educational Association (Incorporated under name Los Angeles Educational Association, Inc.), also known as People's Educational Center, People's University, People's School  
 People's Educational and Press Association of Texas (See Communist Political Association)  
 People's Institute of Applied Religion  
 People's Programs (Seattle, Washington)  
 People's Radio Foundation, Inc.  
 People's Rights Party  
 Philadelphia Labor Committee for Negro Rights  
 Philadelphia School of Social Science and Art

Photo League (New York City)  
 Pittsburgh Arts Club  
 Political Prisoners' Welfare Committee  
 Polonia Society of the IWO  
 Provisional Committee on Latin American Affairs  
 Provisional Committee of Citizens for Peace, Southwest Area  
 Provisional Committee to Abolish Discrimination in the State of Maryland  
 (See Committee to Abolish Discrimination in Maryland)  
 Progressive German-Americans, also known as Progressive German-Americans of Chicago  
 Proletarian Party of America  
 Protestant War Veterans of the United States, Inc.  
 Puerto Rican Comite Pro Libertades Civiles, (CLC)  
 (See Comite Pro Derechos Civiles)  
 Puertorriquenos Unidos (Puerto Ricans United)  
 Quad City Committee for Peace  
 Queensbridge Tenants League  
 Revolutionary Workers League  
 Romanian-American Fraternal Society  
 Russian American Society, Inc.  
 Sakura Kai (Patriotic Society, or Cherry Association—composed of veterans of Russo-Japanese War)  
 Samuel Adams School, Boston, Massachusetts  
 Santa Barbara Peace Forum  
 Schappes Defense Committee  
 Schneiderman-Darcy Defense Committee  
 School of Jewish Studies, New York City  
 Seattle Labor School, Seattle, Washington  
 Serbian-American Fraternal Society  
 Serbian Vidovdan Council  
 Shinto Temples (limited to State Shinto abolished in 1945)  
 Silver Shirt Legion of America  
 Slavic Council of Southern California  
 Slovak Workers Society  
 Slovenian-American National Council  
 Socialist Workers Party, including American Committee for European Workers' Relief  
 Sokoku Kai (Fatherland Society)  
 Southern Negro Youth Congress  
 Suiko Sha (Reserve Officers Association, Los Angeles)  
 Syracuse Women for Peace  
 Tom Paine School of Social Science, Philadelphia, Pennsylvania  
 Tom Paine School of Westchester, New York  
 Trade Union Committee for Peace  
 (See Trade Unionists for Peace)  
 Trade Unionists for Peace  
 (See Trade Union Committee for Peace)  
 Tri-State Negro Trade Union Council  
 Ukrainian-American Fraternal Union  
 Union of American Croatsians  
 United American Spanish Aid Committee

United Committee of Jewish Societies and Landsmanschaft Federations, also known as Coordination Committee of Jewish Landsmanschaften and Fraternal Organizations  
United Committee of South Slavic Americans  
United Defense Council of Southern California  
United Harlem Tenants and Consumers Organization  
United May Day Committee  
United Negro and Allied Veterans of America  
Union of New York Veterans  
Veterans of the Abraham Lincoln Brigade  
Veterans Against Discrimination of Civil Rights Congress of New York (See Civil Rights Congress)  
Voice of Freedom Committee  
Walt Whitman School of Social Science, Newark, New Jersey  
Washington Bookshop Association  
Washington Committee to Defend the Bill of Rights  
Washington Committee for Democratic Action  
Washington Commonwealth Federation  
Washington Pension Union  
Wisconsin Conference on Social Legislation  
Workers Alliance (since April 1936)  
Yiddisher Kultur Farband  
Young Communist League  
Yugoslav-American Cooperative Home, Inc.  
Yugoslav Seamen's Club, Inc.

### **Section 3**

## **EQUAL EMPLOYMENT OPPORTUNITY**

This section is abstracted from the *HHFA Policies and Procedures for Equal Employment Opportunity* in government employment, as established under the authority of Executive Order 10925 of March 6, 1961, and the regulations of the President's Committee on Equal Employment Opportunity. It promulgates the policies and procedures which are to govern employment activities in the Central Office.

#### **POLICY**

It is the policy of the Housing and Home Finance Agency to assure that equal opportunity in employment, consistent with applicable law and Federal employment regulations, shall be afforded to all qualified persons. No agency official shall discriminate against any employee or applicant for employment because of race, color, creed or national origin. In addition, a positive program shall be pursued to broaden employment opportunities for members of minority groups and to utilize fully the skills and talents of all citizens.

#### **CONTINUING REVIEW OF EMPLOYMENT POLICY**

The head of each constituent unit and the General Counsel, shall review employment policies and practices within their respective areas to insure consistency with the spirit and the letter of the Executive Order and shall take positive measures to eliminate any discrimination, direct or indirect, disclosed through such review. Such measures shall include a requirement that in active recruiting programs for positions at all levels of employment positive efforts shall be made to recruit minority group candidates.

#### **INFORMAL DISCUSSION AND SETTLEMENT**

The presentation of grievances alleging discriminatory employment practices, for the purpose of informal settlement, shall be actively encouraged to the end that the spirit of the Executive Order shall be preserved by voluntary Agency action. Nothing in this regulation shall be construed to prohibit a supervisor, or a Deputy Employment Policy Officer, before the filing of a complaint pursuant to the provisions herein, from discussing grievances of this nature with an employee or an applicant for employment. However, all such employees or applicants for employment shall be advised of the existence of these formal complaint procedures and in no instances shall such an employee or

applicant for employment be discouraged from pursuing such formal procedures.

#### **DESIGNATION AND DUTIES OF THE EMPLOYMENT POLICY OFFICER**

(1) The Deputy Housing and Home Finance Administrator is the Employment Policy Officer for the Housing and Home Finance Agency, and as such has been delegated full operating responsibility under the supervision of the Administrator, for carrying out the employment policies and procedures expressed in the Executive Order, the regulations of the President's Committee and the provisions herein.

(2) The Employment Policy Officer advises the Administrator with respect to the preparation of policies, procedures, rules, regulations, reports and other matters dealing with the exclusion and prohibition of discrimination under the Executive Order. He also appraises the personnel operations of HHFA at regular intervals to assure continuing conformity to the policy expressed in the Executive Order and recommends to the Administrator such action as may be required.

(3) The Employment Policy Officer is responsible for the processing of all complaints of alleged discrimination in personnel matters within HHFA and makes recommendations to appropriate administrative officials for such corrective measures as he may deem necessary.

(4) The Employment Policy Officer consults with the President's Committee or its staff concerning methods, techniques, policies, procedures and regulations for making effective the nondiscriminatory employment policy and in seeking guidance and advice with respect to proposed disposition or resolution of complaints.

(5) The Employment Policy Officer keeps a complete file on each complaint processed in HHFA.

#### **DESIGNATION OF DEPUTY EMPLOYMENT POLICY OFFICERS**

The Deputy Commissioners of the Community Facilities Administration and the Urban Renewal Administration have been designated as Deputy Employment Policy Officers in their respective areas. The General Counsel has been designated as Deputy Employment Policy Officer for all units of the OA in the Central Office.

#### **WHO MAY FILE A COMPLAINT**

Any aggrieved employee or applicant for employment who believes he has been discriminated against because of race, color, creed or national origin, may file a written signed complaint. The complaint must be filed in quadruplicate within 90 days from the date of the alleged discrimination unless such time is extended by the Employment Policy Officer, a Deputy Employment Policy Officer, or the Executive Vice Chairman of the President's Committee, for good cause shown. The

complaint may be submitted by an authorized representative of the aggrieved individual. Each complaint shall:

- (1) Specify whether the alleged discrimination is based on race, color, creed or national origin.
- (2) Disclose the specific action or personnel matter about which complaint is made.
- (3) Identify the position involved, its grade, and the unit or office in which located.
- (4) Identify the official responsible for the action, if known.
- (5) Give the date of the action.
- (6) Contain all factual information which the complainant may have to support the allegation of discrimination.
- (7) Set forth the relief to which the complainant feels he is entitled.

#### COMPLAINT PROCEDURES

(1) It is preferred that Form EEO-F-2, *Complaint Form*, be used to file a complaint. However, a written complaint which is not on Form EEO-F-2 is acceptable if it contains the appropriate information.

(2) Complaints may be filed with a Deputy Employment Policy Officer, the Employment Policy Officer, or the President's Committee.

(3) Complaints filed with the Employment Policy Officer, or referred to him by the Executive Vice Chairman, may be processed by him but ordinarily will be referred to the appropriate constituent unit in which the complainant is employed or seeks employment, for appropriate action. If the complainant is employed or seeks employment in the immediate Office of the Administrator, the complaint may be referred to the General Counsel for appropriate action.

(4) Complaints referred to the General Counsel by the Employment Policy Officer or filed with the General Counsel, shall be processed by him.

(5) Complaints filed with or referred to the Deputy Commissioners, Community Facilities Administration or Urban Renewal Administration, may be processed by them or referred to any other Deputy Employment Policy Officer in the constituent agency or unit in which the complainant is employed or seeks employment, for appropriate action.

(6) Complaints filed with the President's Committee may, pursuant to its regulation, be referred to the Employment Policy Officer for consideration, or may be processed by the Executive Vice Chairman. The latter may also assume jurisdiction of any case pending before HHFA where he considers it necessary or appropriate in order to achieve the purposes set forth in the Executive Order.

(7) A copy of all complaints filed with HHFA shall forthwith be transmitted to the Executive Vice Chairman by the officer with whom it is filed. Where complaints are filed with a Deputy Employment

Policy Officer, he shall also forthwith transmit a copy of the complaint to the Employment Policy Officer.

(8) An incomplete complaint shall be returned to the complainant for completion with a written notice of the specific reasons for returning it.

#### **ACTION BY THE HHFA**

(1) Upon the receipt of a complaint which meets the standards of this procedure, the Deputy Employment Policy Officer processing the complaint, or someone designated by him, shall undertake immediately to investigate the issues presented, and shall develop a complete case record, including an adequate transcript or agreed summary of any hearing.

(2) Whenever necessary or appropriate for a full development of the case, the investigation shall include an appraisal of employment practices in the organizational segment or unit in which the alleged discrimination occurred.

#### **NEGOTIATION AND SETTLEMENT**

(1) After completion of the investigation, the Officer processing the complaint shall make an effort to dispose of the matter informally. All information developed by Agency investigation and pertinent to the complaint shall be made available to the complainant in the form of a written statement except to the extent that the Executive Vice Chairman determines that any investigative report or portions thereof shall not be disclosed for reasons of national security.

(2) If a settlement of the complaint is negotiated by a Deputy Employment Policy Officer he shall within 10 days file a report with the Employment Policy Officer containing the information required in *Report to the President's Committee* (this Section, page 7). The report of a successful negotiation shall also contain the signed concurrence of the complainant.

(3) If the informal negotiations do not result in a settlement, the complainant shall be informed in writing of his right to a hearing. In connection with this notice he shall be supplied with a statement of the reason for the Agency action in denying his complaint. If the complainant desires a hearing, he must submit a written request for same within 10 days after receipt of the written notification of his right to a hearing.

#### **HEARING**

(1) A hearing shall be held at the written request of the complainant in any case not disposed of by informal means. Hearings shall also be held where the Officer processing the complaint believes that additional proceedings are necessary in order to clarify the issues. The hearing

shall be held by the Officer processing the complaint or someone designated by him, at a convenient time and place. The notification of a hearing date must be received by the complainant at least 15 days in advance of the date selected.

(2) At such hearing, the HHFA shall produce any witnesses under its jurisdiction, upon a showing satisfactory to the hearing officer of reasonable necessity therefor, and the rights of confrontation and of cross-examination (insofar as may be necessary for a development of the facts) shall be preserved. The Agency shall develop all facts to resolve the issues. Any requests for the attendance of necessary witnesses shall be made in writing by the complainant at least 10 days prior to the date of the hearing. The hearing shall be informal and the hearing officer shall make his proposed findings and recommended conclusions upon the basis of the record before him.

#### **DISMISSAL OF COMPLAINTS**

Where a complainant fails to appear at a hearing without good cause shown, or fails within 60 days to furnish requested information or to otherwise pursue his complaint, or where the complainant requests a withdrawal of his complaint in writing, the case may be closed, with appropriate written notice to the complainant. A case may be processed to completion even though a complainant has requested withdrawal. If a complaint is dismissed by a Deputy Employment Policy Officer, or withdrawn by written request of the complainant, the Deputy Employment Policy Officer shall within 10 days file a report with the Employment Policy Officer containing the information required in *Report to the President's Committee* (this Section, page 7).

#### **FINDINGS AND RECOMMENDATIONS**

(1) In all cases except where a complaint has been settled by negotiation, findings and recommendations shall be prepared by the Officer processing the complaint. Copies of such findings and recommendations shall be immediately forwarded to the Employment Policy Officer.

(2) The Administrator or the Employment Policy Officer may refer a case to the Executive Vice Chairman for study and recommendations prior to any decision. The findings and recommendations of the Employment Policy Officer will accompany such referral.

#### **FINAL DECISION AND NOTIFICATION**

(1) The Employment Policy Officer will make the final decision in the disposition of all cases where a settlement has not been negotiated pursuant to provisions hereinbefore set forth, except in those instances in which he has conducted the investigation and made the findings and recommendations, in which case the Administrator will make the final decision. Where the Administrator or the Employment Policy Officer has referred the case to the Executive Vice Chairman for review and advisory opinion, such final decision may be made only after receipt

of the recommendations of the Executive Vice Chairman. Further, such final decisions will be reconsidered whenever reconsideration is recommended or ordered by the Executive Vice Chairman.

(2) The complainant will receive written notice of the final decision on his complaint and will also be advised in such written notification of his right to secure a review by the Executive Vice Chairman if the decision is adverse in whole or in part.

(3) Within 5 days after receipt of a written request from the complainant for a review of his case by the President's Committee, the Administrator or the Employment Policy Officer will transmit a copy of the complete file on the case to the President's Committee.

(4) Where the complainant is an employee or an applicant for employment in the Urban Renewal Administration or the Community Facilities Administration, a copy of the final decision will be furnished to the Deputy Commissioner of the appropriate constituent unit.

#### **PROCESSING OF COMPLAINTS AND TIME LIMITATION**

Within 30 days from the receipt by HHFA of a complaint, which meets the standards of this procedure, or within such additional time as may be allowed by the Executive Vice Chairman for good cause shown, the HHFA will process the complaint and the Employment Policy Officer will submit to the Executive Vice Chairman a report on disposition of the complaint. Where a hearing is held the report on disposition of the complaint will be submitted to the Executive Vice Chairman within 60 days after the receipt thereof.

#### **REVIEW**

Pursuant to the Regulations of the President's Committee on Equal Employment Opportunity:

(1) The Executive Vice Chairman will accept for review any case coming within the purview of Part II of Executive Order 10925, Non-discrimination in Government Employment, upon the written request of the complainant made to the Employment Policy Officer. Such request must be made by the complainant within 30 days of the date of the final decision by the Administrator or the Employment Policy Officer, unless the Executive Vice Chairman shall waive such time limitation upon good cause shown.

(2) The Executive Vice Chairman may also review any case reported to him after final disposition by the HHFA and may remand the case to HHFA for reconsideration.

(3) In connection with his review, the Executive Vice Chairman may secure such additional information, hold such hearings, make such findings and issue such recommendations and orders, as may be necessary or appropriate.

**PROCESSING OF COMPLAINTS BY EXECUTIVE VICE CHAIRMAN**

The Executive Vice Chairman pursuant to the Committee's regulations may process complaints filed with him or over which he has assumed jurisdiction. When the Executive Vice Chairman processes complaints filed with him or over which he assumes jurisdiction, he may conduct such investigations, hold such hearings, make such findings, and issue such recommendations and orders as may be necessary or appropriate.

**RIGHT TO COUNSEL**

Parties to any of the aforementioned proceedings shall have the right to be accompanied, represented, and advised by counsel, or by any other qualified representative.

**REPORT TO THE PRESIDENT'S COMMITTEE**

The Employment Policy Officer will submit to the Executive Vice Chairman a report of the final disposition of each complaint processed by HHFA. The report will contain the following:

- (1) A copy of the complete case record, if requested by the Executive Vice Chairman.
- (2) A summary of the complete case record, including:
  - (a) The name and address of the complainant.
  - (b) The date on which the complaint was filed with or referred to HHFA and, where the complaint was filed with HHFA, the name and title of the officer with whom it was filed.
  - (c) A summary of the complaint indicating the specific type or types of discrimination alleged.
  - (d) A summary of the results of any appraisal of employment practices and the significant facts disclosed by the investigation and any hearings.
  - (e) A statement describing disposition of the complaint. If the complaint was withdrawn, the reason for withdrawal should be included.
  - (f) The date of disposition of the complaint.

**DISSEMINATION OF INFORMATION**

On all employee bulletin boards, including those used to announce Federal examinations and job opportunities, shall be posted: (a) a copy of the *HHFA Policies and Procedures on Equal Employment Opportunity*, and (b) a copy of the poster announcing the *HHFA Policies and Procedures on Equal Employment Opportunity*, including the names and addresses of the Executive Vice Chairman of the President's Committee, the Employment Policy Officer, and the Deputy Employment Policy Officer.

**PENDING CASES**

These procedures shall also apply to cases pending under Executive Order 10590, as amended, and the regulations promulgated thereunder.

## **Section 4**

### **EMPLOYEE GRIEVANCES**

The following policies and procedures for the consideration and adjustment of dissatisfactions and differences arising in the working relationships between an employee and his supervisor, or between employees, or from other causes of employee dissatisfaction, reflect the provisions of Executive Order 10988 and the Civil Service Commission's Standards; they shall be used in consideration and adjustment of grievances of covered employees (see **COVERAGE**, below) of the Office of the Administrator and constituent units (hereafter referred to as Agency).

#### **DEFINITIONS**

*Informal Grievance*—The point at which a matter becomes an informal grievance occurs when an employee's feelings of dissatisfaction with working conditions or relationships beyond his control are expressed, on the employee's own initiative, to his supervisor, personally and/or by a representative of the employee's own choosing, orally and/or in writing.

*Formal Grievance*—The point at which a matter becomes a formal grievance occurs when it:

1. Cannot be resolved informally at the level of the supervisor, and
2. Is not covered by other HHFA programs for reconsideration, and
3. Is presented in writing on the employee's own initiative, by him or by a representative of the employee's own choosing, to a higher administrative level for reconsideration.

#### **COVERAGE**

##### **Employees and Grievances Covered**

The provisions of this Section apply to all employees and to all types of grievances except in the circumstances described under *Exclusions*.

##### **Exclusions**

The procedures in this Section are not to be used to review:

1. Questions of policy.
2. Allegations of discrimination prohibited by the Agency policy on Equal Employment Opportunity, (which shall be processed in accordance with the procedures described in Section 2-1-3);

3. Adverse actions—Discharge, separation for more than 30 days, furlough without pay, and reductions in rank or compensation (see Section 2-1-5); for those actions which are taken at the election of the Agency after a classification decision by the Agency or the Civil Service Commission, see Section 2-2-3;
4. Decisions of the Civil Service Commission and actions taken pursuant to specific instructions of the Civil Service Commission;
5. Position classification appeals (see Section 2-2-3);
6. Termination of employment during probationary or trial period, or termination of a temporary appointment;
7. Actions taken under Agency security procedures and Executive Order 10450. (See Section 2-1-2);
8. Reduction-in-force actions;
9. Agency initiation of retirement for disability;
10. Performance ratings and actions resulting from unsatisfactory ratings. (See Section 2-5-1); and
11. Acceptable level of competence determination in connection with normal within-grade salary increases. (See Section 2-4-6).

#### POLICY

The basic purpose in adjusting an employee's grievance on either an informal or formal basis is to retain, restore, or improve his status as a productive member of the work force. It is intended that grievances be settled informally, promptly, fairly, and satisfactorily at the immediate supervisor's level whenever possible and that in each case efforts of supervisors and others concerned be directed toward that objective.

Supervisors at all levels have a positive responsibility to identify and take corrective action on situations and conditions which may lead to discontent and dissatisfaction on the part of their subordinate employees, thus avoiding the need for an aggrieved employee to take the initiative in such matters.

An employee has the right to present questions and complaints to his supervisor, and the supervisor has the obligation to act promptly upon them, seeking the advice and assistance of others when necessary.

As described in succeeding paragraphs in this Section, if the immediate supervisor is unable to settle an employee grievance informally, the employee will be free to present his case—for consideration and final decision—to an official sufficiently high in the Agency organization to insure that the viewpoints and policies of top Agency management are reflected in the decision (see *Grievance Review Officer Designations*, below). At each decision level, the employee shall receive full, impartial consideration.

**PROCEDURES**

**General**

**Initiation by Employees**

Grievance actions, whether at the informal or formal level, must be initiated by the employees themselves, either singly or jointly; they may not be initiated by employee organizations. However, an employee organization will be permitted to *present* a grievance on behalf of an employee<sup>1</sup> or group of employees when requested to do so by the employee.

**Timing**

Grievance actions may be initiated at any time. However, grievance actions that seek reconsideration of specific management decisions or actions should be initiated as soon as practicable following such decisions or actions.

**Freedom of Participants**

Aggrieved employees, their representatives and witnesses, and the Agency's representatives and witnesses, will be free from restraint, interference, coercion, discrimination, and reprisal, in connection with the presentation of grievances.

**Employees' Representatives; Witnesses**

In connection with the presentation of a grievance, employees, either individually or as a group, have the right to be accompanied, represented and advised by one or more representatives of their own choice (including, at the employees' request only, representatives of employee organizations), and to call witnesses.<sup>1</sup>

**Official Time**

Except in the case of representatives and witnesses who are not employees, reasonable official time will be allowed to prepare and present grievances by aggrieved employees, their representatives and witnesses, and the Agency's representatives and witnesses.

**General Responsibilities of Supervisors and Higher Authority**

Each supervisor or other higher authority to whom a grievance is presented for consideration, and for adjustment or rendering of a decision otherwise, shall:

1. Fully and impartially consider all the facts of the grievance;

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<sup>1</sup>Throughout the remainder of this Section, reference to "employee" in the singular form is intended to include more than one employee in cases where a grievance is initiated jointly by a group of employees; reference to "representative" or "witness" in the singular form is intended to permit the use of more than one representative or more than one witness by the employee and/or the Agency.

- 2. Take into consideration the employee's viewpoint, the viewpoints of others concerned, and the interest of the Agency. (Such consideration may include, as necessary, pertinent communication with any or all persons concerned, as well as with appropriate higher authority or any other appropriate Agency officers) ;
- 3. Adjust the grievance or render a decision otherwise as soon as practicable. In case of an unavoidably extended delay in effecting an adjustment or reaching a decision otherwise, he is expected to periodically furnish information as to the estimated date of completion of his responsibilities in the matter to the employee and to others concerned.

**Consultation with Director of Personnel**

At any point in the procedure prior to the final decision on an employee's grievance, the employee or others concerned may discuss the grievance informally with the Director of Personnel in an effort to arrive at a satisfactory adjustment.

**Initial Action (Informal Grievance Level)**

When an employee feels the need to make a grievance known to higher authority, he is urged to take up the matter initially, and informally, with his immediate supervisor.

The supervisor shall observe the instructions outlined under *General Responsibilities of Supervisors and Higher Authority*, and shall make every effort to settle the matter informally.

**Subsequent Action (Formal Grievance Level)**

**Grievance Review Officer Designations**

When a grievance cannot be resolved at the supervisory level and a further review is sought by the employee, he may submit his grievance, in the manner described under *Employee's Written Presentation*, directly to the appropriate grievance review officer designated below :

<u>Employee Category:</u>	Grievance Review Officer : _____
Employees reporting <i>directly</i> to the Administrator or the Deputy Administrator	Administrator
Employees reporting <i>directly</i> to a Commissioner, Office head, or equivalent	Administrator
Other Central Office employees, including field employees assigned to the Audit Division, Compliance Division, Community Disposition Program, or Relocation Site	Appropriate Commissioner, Office head, or equivalent

**Employee's Written Presentation**

The grievance must be submitted in writing, with a copy to the Director of Personnel. Each written request for review of a grievance must contain :

1. The employee's name, grade, title, and duty station ;
2. The name and address of the employee's representative, if any ;
3. A clear, specific, detailed statement of the issue or cause of action and the pertinent facts as they exist in the opinion of the employee ;
4. Any evidence available in support of the grievance ;
5. A clear statement of the remedial action or relief sought ;
6. A statement of reasons why the employee believes that the remedial action or relief sought should be granted :
7. A summary of the disposition of the grievance at the informal level ; and
8. A statement as to whether the employee wishes to take advantage of the opportunity to make a personal presentation to a hearing officer to be selected by the employee from a panel of at least 3 employees designated by the grievance review officer on an *ad hoc* basis. *Failure to request a personal presentation before a hearing officer will be considered a waiver of such personal presentation.* Personal presentations will be afforded except when impractical by reason of unusual location or other extraordinary circumstances.

**Exclusive Employee Organization Participation**

In a unit in which an employee organization has been granted exclusive recognition, that organization shall be promptly notified in writing by the Director of Personnel of its right to have someone present at discussions between employees and management in the course of grievance proceedings that have passed the stage of informal discussion, making clear that this right to be present will not be permitted to impair the right of the employee to handle his own grievance, in his own way, if he wishes, and to choose his own representative.

Included with the notification will be a copy of the employee's written request for review of his grievance, as well as a copy of these procedures. Copies of the notification shall be furnished the grievance review officer, the employee, and the employee's and Agency's representatives.

**Selection of Hearing Officer**

As soon as practicable after receipt of an employee's request for a personal presentation in connection with his formal grievance, the grievance review officer shall designate, on an *ad hoc* basis, a panel of at least 3 employees, each of whom would be qualified and available to serve as hearing officer if selected as such by the employee requesting

the personal presentation. In order to assure a fair, objective review of matters presented to a hearing officer in whose competence and objectivity the employee can have confidence, the *ad hoc* panel must not include any person who has participated in the formulation of the decision or action on which the grievance is based, or who has previously decided the case on an informal basis.

The grievance review officer shall notify the employee in writing of the designation of the *ad hoc* panel and of the employee's responsibility to indicate his selection in a written reply to the grievance review officer.

Copies of the notification of the designation of the *ad hoc* panel, and of the employee's selection, shall be furnished by the grievance review officer to the employee's and Agency's representatives, the Director of Personnel, the selected hearing officer, and—in the circumstances described under *Exclusive Employee Organization Participation*—to the employee organization concerned.

The grievance review officer shall promptly furnish the hearing officer all available files and information that are pertinent to the case, including the provisions of this Section.

#### **Hearing Officer Responsibilities**

##### **General**

The hearing officer has responsibility for :

1. Making arrangements on a timely basis for the purpose of affording the employee the opportunity to make a personal presentation to him ;
2. Conducting the personal presentation so as to bring out pertinent facts including the production of pertinent records ;
3. Recording the proceedings of the personal presentation ; and
4. Preparation and submission to the grievance review officer and others concerned, of a written report of his findings of fact.

The foregoing responsibilities are amplified as follows :

##### **Arrangements for the Personal Presentation**

The hearing officer shall keep in touch with the employee, and the employee's and Agency's representatives, and—in the circumstances described under *Exclusive Employee Organization Participation*—with the employee organization concerned, regarding all phases of the presentation, and assure that all parties are informed of arrangements and developments with respect to the presentation.

Prior to, and during the course of the conduct of the presentation, the hearing officer may request, and as a result be furnished, appropriate guidance and assistance by the employee and the employee's and Agency's representatives in order to insure an effective presentation.

The hearing officer should set a reasonable period of time for the selection of witnesses, conduct of the presentation, and completion and submission of the record of the presentation and the report of the hearing officer.

The presentation shall be held whenever practicable near the employee's locality of work, as determined by the hearing officer.

A conference preceding the presentation should take place, during which the employee, the employee's and Agency's representatives, and the hearing officer should strive to reach agreement on the issues to be raised during the presentation, and the role of each prospective participant should be clarified for the benefit of all concerned.

The employee, and the employee's and Agency's representatives, will inform the hearing officer and each other of the number and identify of representatives expected to be present during the presentation.

#### **Selection of Witnesses**

In considering requests for witnesses from the employee and the employee's and Agency's representatives, and in considering calling any additional witnesses he may wish to hear, the hearing officer shall assure that witnesses include only those who have or are likely to have a relevant bearing on part or all of the presentation; that all requests are considered; and that witnesses are available prior to the start of the presentation.

Insofar as administratively practicable and when requested by the hearing officer after consideration of requests from the employee and the employee's and Agency's representatives, employees of the Agency will be made available to the hearing officer as witnesses. When the Agency determines that it is impracticable to comply with the request of the hearing officer, the hearing officer shall promptly notify the parties concerned to that effect, and the Agency's reasons for the declination will be included in the report of the hearing officer. Depositions by witnesses may be accepted by the hearing officer.

Employees of the Agency made available as witnesses shall be considered to be in duty status during the period of their service at the presentation.

#### **Conduct of the Presentation**

If the hearing officer determines that a verbatim transcript of the hearing is necessary, he is responsible for making advance arrangements for such facilities. In the absence of a verbatim transcript, the hearing officer shall accurately summarize all relevant testimony given at the presentation, obtain written concurrence in the summary by the parties concerned, and incorporate the summary in the record of the presentation.

In general, personal presentations by employees to the hearing officer should be as informal as practicable, within an atmosphere that

encourages all participants to express themselves freely and without a feeling of being overwhelmed or intimidated.

In the event of the unexpected absence of persons scheduled to be present at the presentation, or whenever in the opinion of the hearing officer it appears appropriate, the hearing officer may recess, reconvene, or terminate the presentation. Requests for stays in the presentation will be granted by the hearing officer only on presentation of good and sufficient reasons for postponement of the presentation, or for recess during the course of the presentation. Whenever a presentation is reconvened, it will be considered as part of the same presentation, unless in the opinion of the hearing officer the presentation should be cancelled and a new presentation initiated.

Inasmuch as the employee requests the presentation, his presentation or that of his representative shall precede the Agency's presentation.

The presentation shall be conducted so as to bring out pertinent facts, including the production of pertinent records.

The rules of evidence need not be followed, but evidence should be pertinent to the issues.

There will be no requirement that documents be sworn in order to be accepted as evidence; however, the hearing officer should make a determination that the documents are authentic and pertinent. In case of disagreement with the hearing officer on the admissibility of evidence, the dissenting participant or participants may submit views on the matter for inclusion in the record of the presentation.

The employee or his representative and the Agency representative each shall have the right to cross-examination.

While discussion "off-the-record" will be permitted at the discretion of the hearing officer, the official summary or transcript will indicate, for clarification purposes, the nature of any "off-the-record" discussion.

Witnesses shall be present in the presentation room only during their testimony, unless the employee, the employee's and Agency's representatives, and the hearing officer agree to the presence of all or specific witnesses during periods in which they are not testifying. Representatives, whether or not also serving as witnesses, are entitled to be present in the presentation room during the entire course of the presentation. Persons other than those referred to herein will not be admitted to the presentation room unless the employee, the employee's and Agency's representatives, and the hearing officer agree to the admission of specific persons or groups of persons.

All participants, in presenting their testimony, shall be assured freedom from restraint, interference, coercion, discrimination, and reprisal.

#### **Record of the Presentation**

The hearing officer shall provide a written summary or transcript of the presentation, including all pertinent documents submitted to him for his consideration.

The summary or transcript shall be signed by the parties concerned, with such exceptions as they submit in writing.

The hearing officer shall furnish copies of the summary or transcript, including any exceptions, to the employee, the employee's and Agency's representatives, the grievance review officer, and—in the circumstances described under *Exclusive Employee Organization Participation*—to the employee organization concerned.

#### **Report of the Hearing Officer**

The hearing officer shall report in writing his findings of fact to the grievance review officer. The report shall be accompanied by a statement supporting the hearing officer's reasons for including or not including in his report testimony where the credibility of witnesses has been a determining factor. Copies of the hearing officer's report shall be furnished the employee, the employee's and Agency's representatives, and—in the circumstances described under *Exclusive Employee Organization Participation*—the employee organization concerned.

The hearing officer shall return, with his report to the grievance review officer, all pertinent files originally made available to him.

#### **Grievance Review Officer Action**

The grievance review officer shall observe the instructions outlined under *General Responsibilities of Supervisors and Higher Authority*, and shall consider the entire record, and secure such additional information as he feels necessary, including, at his initiative, or in response to requests, discussions with any or all parties concerned, in arriving at his decision.

The decision of the grievance review officer shall be in writing and addressed to the employee. Copies of the decision shall be furnished the employee's and Agency's representatives, the Director of Personnel, and—in the circumstances described under *Exclusive Employee Organization Participation*—the employee organization concerned.

#### **Employee Grievance File**

When action on an employee's formal grievance has been completed, the grievance review officer shall forward all pertinent grievance documents to the Director of Personnel.

The Director of Personnel shall establish and maintain custody of a file which shall include copies of:

1. The written complaint of the employee ;
2. Reasons for not granting a presentation when one was requested by the employee but not granted ;
3. Reasons for impracticality of availability of any Agency employees to the hearing officer as witnesses ;
4. Written summary or transcript of the presentation ;

5. Report of the hearing officer ;
6. Documentary evidence considered in resolving the grievance ;
7. Employee's request or other evidence sufficient to warrant termination of the grievance prior to final decision ; and
8. The grievance review officer's decision.

#### **SUBSEQUENT RESORT TO ADVISORY ARBITRATION**

An agreement with an employee organization that is recognized as the exclusive representative in a unit may also provide for the advisory arbitration of grievances subject to the requirements of Executive Order 10988 and Agency policy. Resort to arbitration requires the consent of both the employee and the employee organization concerned. Arbitration can extend only to the interpretation or application of the agreement or Agency policy, and any recommendations resulting from such arbitration must be advisory only, and subject to approval by the Administrator.

The Director of Personnel, in representing the Agency in its relationships with employee organizations, shall coordinate the Agency's responsibilities with respect to any advisory arbitration resulting from a final decision of a grievance review officer.

## **Section 5**

### **EMPLOYEE APPEALS OF ADVERSE DECISIONS**

#### **PURPOSE**

The following policies and procedures for use in employee appeals of adverse actions reflect the provisions of Executive Order 10987 and the Civil Service Commission's regulations; they shall be used in appeals by covered employees (see **COVERAGE**, below) of Office of the Administrator and constituent units (hereafter referred to as Agency).

#### **COVERAGE**

##### **Employees Covered**

The provisions of this Section apply to any career, career-conditional, overseas limited, indefinite, or term employee in a position in the competitive service who is not serving a probationary or trial period; and any employee having competitive status and occupying a position in Schedule B under a non-temporary appointment.

##### **Employees Not Covered**

The provisions of this Section do not apply to a reemployed annuitant, an employee occupying a position in the competitive service under a temporary appointment, an employee whose appointment is required by the Congress to be confirmed by or made with the advice and consent of the U.S. Senate, an employee currently serving a probationary or trial period, an employee in a position outside the competitive service other than provided under *Employees Covered*, or an employee serving under a term appointment upon expiration of his term appointment.

##### **Adverse Actions Covered**

The adverse actions covered are discharge, suspension for more than 30 days, furlough without pay, and reduction in rank or compensation (including such a reduction taken at the election of the Agency after a classification decision by the Agency or the Civil Service Commission.)

Resignations, optional retirements, and requested reductions in rank or compensation are also considered adverse actions when employees charge that such actions were secured by duress, intimidation, or deception.

##### **Adverse Actions Not Covered**

The provisions of this Section shall not apply to decisions of the

Civil Service Commission, actions taken pursuant to specific instructions from the Commission, reduction-in-force actions, or actions taken under Public Law 733 (81st Congress), and any other similar statute which authorizes an Agency to take suspension or separation action without regard to Section 6 of the Act of August 24, 1912, as amended, or the provisions of any other law.

#### **Allegations of Discrimination**

If, during the course of an appeal, an employee alleges that the adverse decision was based in whole or in part on discrimination because of race, creed, color, or national origin, the review of that allegation shall be made under the provisions of Section 2-1-3.

Other issues raised by the appeal will be adjudicated under the provisions of this Section, and a decision *against* the employee shall *not* be made until a determination has been made on the issue of discrimination. However, a decision in favor of the employee may be made without waiting for settlement of the issue of discrimination.

#### **HEARING**

##### **Notice of Proposed Adverse Action; Contents**

When a notice of proposed adverse action is issued to an employee covered by this Section, such notice, *in addition to information required by pertinent Civil Service regulations*, shall inform him that:

1. The procedures in this Section will be made available to him;
2. In addition to his right to reply personally and in writing to the notice of proposed adverse action, he has a right to and may request a full and fair hearing on the proposed adverse action, personally, or through or accompanied by any employee or nonemployee selected by him as his representative;<sup>1</sup> (An opportunity for a hearing, or a request for a hearing, may be denied only when the Administrator determines a hearing to be impracticable by reason of unusual location or other extraordinary circumstances.)
3. This will be his only opportunity for a hearing in the Agency in connection with the proposed adverse action or action pursuant thereto;
4. The employee's request for a hearing must be in writing addressed to and received by the officer issuing the notice of proposed adverse action within 10 calendar days following the employee's receipt of the notice; and should specify the name and address of the employee's representative, if any;
5. A requested hearing will take place before a hearing officer and, in order to insure fairness, impartiality, and objectivity, the hearing

<sup>1</sup>Throughout the remainder of this Section, reference to "representative" or "witness" in the singular form is intended to permit the use of more than one representative or more than one witness by the employee and/or the Agency.

Levels of Adverse Action Initiation/Decision, and Appeal Review/Decision

The following table identifies the officers responsible for: (1) adverse action initiation/decision, and (2) appeal review/decision for the various groups of employees:

<u>Employee</u>	<u>Notice of Proposed Adverse Action from, Employee Reply (if any) to, and Notice of Adverse Decision from:</u>	<u>Employee Written Appeal to, and Final Agency Appellate Decision from:</u>
Employees reporting directly to the Administrator or the Deputy Administrator	Administrator	Administrator
All other Central Office Employees	Director of Personnel	Assistant Administrator (Administration)
Field Employees assigned to: Audit Division Compliance Division Community Disposition Staff Relocation Site	Director of Personnel	Assistant Administrator (Administration)

- officer will be selected by the employee from a panel of at least 3 employees designated by the Administrator on an *ad hoc* basis;
6. Witnesses<sup>1</sup> who have direct knowledge of circumstances and factors bearing on the case may be called by him and the Agency to testify at the hearing;
  7. One or more Agency officials will represent the Agency at the hearing;
  8. The hearing record and findings will be
    - (a) made available to the employee and his representative, and
    - (b) given full and fair consideration prior to an Agency decision, and in the event that such decision cannot be made prior to any specific effective date stipulated in the notice of proposed adverse action, the employee will receive a written amendment to the notice, extending the effective date beyond the date a decision is rendered; and
  9. In a case where the adverse action against him consists of his reduction in rank or compensation stemming from a classification decision of the Agency or of the Civil Service Commission, he has a separate right of appeal, under Title V of the Classification Act of 1949, as amended, either to the Agency first and then to the Commission, or directly to the Commission. In order to preserve any retroactive benefits in the event of a favorable decision on a classification appeal: (a) the initial appeal must be filed with the Commission or the Agency within 30 calendar days of the employee's receipt of downgrading or loss of compensation, and (b) any further appeal from the Agency's decision must be filed with the Commission within 30 calendar days after the appeal decision is received or within 30 calendar days after the effective date of adverse action, whichever is later.

#### **Administrator's Designation of Ad Hoc Panel**

Upon timely receipt of an employee's request for a hearing, the officer issuing the notice of proposed adverse action will request (with a copy to the employee and the employee's and Agency's representative) the Administrator to designate, on an *ad hoc* basis, a panel of at least 3 employees, each of whom would be qualified and available to serve as hearing officer if selected as such by the employee requesting the hearing. Therefore, the *ad hoc* panel must not include anyone responsible for reviewing or acting on the pertinent proposal or decision to take adverse action, or for reviewing or acting on the report of the hearing officer.

#### **Employee's Selection of Hearing Officer from Ad Hoc Panel**

The officer issuing the notice of proposed adverse action will promptly

<sup>1</sup> Throughout the remainder of this Section, reference to "representative" or "witness" in the singular form is intended to permit the use of more than one representative or more than one witness by the employee and/or the Agency.

forward the names of the panel to the employee (with a copy to the employee's and Agency's representatives) notifying the employee that:

1. The requested hearing will take place;
2. The employee should select the hearing officer of his choice from the panel designated by the Administrator;
3. The employee's selection must be made known to the officer issuing the notice of proposed adverse action within 3 work-days following receipt by the employee; of the notice listing the panel;
4. The selected hearing officer will be in touch with the employee, and the employee's and Agency's representatives, regarding all phases of the hearing, including arrangements for witnesses, and time, place, and conduct of the hearing.

#### **Hearing Officer Notified of Selection**

On receipt of the employee's selection of a hearing officer, the officer issuing the notice of proposed adverse action will notify the hearing officer (with a copy to the employee, and the employee's and Agency's representatives) that:

1. He has been selected as hearing officer by the employee from a panel of names designated by the Administrator;
2. The procedures in this Section will be made available to him;
3. The Agency will promptly make available to him all pertinent files and information;
4. He is responsible for carrying out the instructions of this Section as they pertain to hearing officers, and is delegated authority to administer oaths or affirmations in connection with the hearing in accordance with 5 USC 16a.

#### **Hearing Officer Responsibilities**

The hearing officer shall observe the following instructions regarding arrangements for the hearing, selection of witnesses, conduct of the hearing, record of the hearing, and report of the hearing officer,

##### **Arrangements for the Hearing**

The hearing officer shall keep in touch with the employee, and the employee's and Agency's representatives, regarding all phases of the hearing, and assure that all parties are informed of arrangements and developments with respect to the hearing.

Prior to, and during the course of the conduct of the hearing, the hearing officer may request, and as a result be furnished, appropriate guidance and assistance by the employee and the employee's and Agency's representatives in order to insure an effective hearing.

The hearing officer should set a reasonable period of time for the selection of witnesses, conduct of the hearing, and completion and submission of the record of the hearing and the report of the hearing officer.

The hearing shall be held whenever practicable near the employee's locality of work, as determined by the hearing officer.

A pre-hearing conference should take place, during which the employee, the employee's and Agency's representatives, and the hearing officer should strive to reach agreement on the issues to be raised during the hearing, and the role of each prospective participant should be clarified for the benefit of all concerned.

The employee, and the employee's and Agency's representatives, will inform the hearing officer and each other of the number and identity of representatives expected to be present during the hearing.

#### **Selection of Witnesses**

In considering requests for witnesses from the employee, and the employee's and Agency's representatives, and in considering calling any additional witnesses he may wish to hear, the hearing officer shall assure that witnesses include only those who have or are likely to have a relevant bearing on part or all of the hearing; that all requests are considered, and that witnesses are available and informed that their testimony will be under oath or affirmation—prior to the start of the hearing.

Insofar as administratively practicable and when requested by the hearing officer after consideration of requests from the employee, and the employee's and Agency's representatives, employees of the Agency will be made available to the hearing officer as witnesses. When the Agency determines that it is impracticable to comply with the request of the hearing officer, the hearing officer shall promptly notify the employee and the employee's representatives to that effect, and the Agency's reasons for the declination will be included in the report of the hearing officer; the Agency's reasons for the declination will also be included in the employee's appeal file, should he file for and be accorded an appeal.

Employees of the Agency made available as witnesses shall be considered to be in a duty status during the period of their service at the hearing.

#### **Conduct of the Hearing**

If the hearing officer determines that a verbatim transcript of the hearing is necessary, he is responsible for making advance arrangements for such facilities. In the absence of a verbatim transcript, the hearing officer shall accurately summarize all relevant testimony given at the hearing, obtain written concurrence in the summary by the parties concerned, and incorporate the summary in the record of the hearing.

In the event of the unexpected absence of persons scheduled to be present at the hearing, or whenever, in the opinion of the hearing officer, it appears appropriate, the hearing officer may recess, reconvene, or terminate the hearing. Requests for stays in the hearing will be granted

by the hearing officer only on presentation of good and sufficient reasons for postponement of the hearing, or for recess during the course of the hearing. Whenever a hearing is reconvened, it will be considered as part of the same hearing, unless in the opinion of the hearing officer the hearing should be cancelled and a new hearing initiated.

Testimony of witnesses shall be under oath or affirmation.

Whenever appropriate, the hearing officer may administer the oath or affirmation to participants as a group.

Inasmuch as the employee requests the hearing, his presentation or that of his representative shall precede the Agency's presentation.

The hearing shall be conducted so as to bring out pertinent facts including the admission of pertinent records.

The rules of evidence need not be followed, but evidence should be pertinent to the issues.

There will be no requirement that documents be sworn in order to be accepted as evidence; however, the hearing officer should make a determination that the documents are authentic and pertinent. In case of disagreement with the hearing officer on the admissibility of evidence, the dissenting participant or participants may submit views on the matter for inclusion in the record of the hearing.

The employee or his representatives and the Agency representatives each shall have the right to cross-examination.

While discussion "off-the-record" will be permitted at the hearing officer's discretion, the official transcript or summary will indicate, for clarification purposes, the nature of any "off-the-record" discussion.

Witnesses shall be present in the hearing room only during their testimony, unless the employee, the employee's and Agency's representatives, and the hearing officer agree to the presence of all or specific witnesses during periods in which they are not testifying. Representatives, whether or not also serving as witnesses, are entitled to be present in the hearing room during the entire course of the hearing. Persons other than those referred to herein will not be admitted to the hearing room unless the employee, the employee's and Agency's representatives, and the hearing officer agree to the admission of specific persons or groups of persons.

Witnesses, in presenting their testimony, shall be assured freedom from restraint, interference, coercion, discrimination, or reprisal.

#### **Record of the Hearing**

The hearing officer shall provide a written transcript or summary of the hearing, including all pertinent documents submitted to him for his consideration.

The transcript or summary shall be signed by the parties concerned, with such exceptions as they submit in writing.

The hearing officer shall furnish copies of the transcript or summary, including any exceptions, to the employee, the employee's and Agency's representatives, and (through the officer issuing the notice of proposed adverse action) the Agency official making the decision on the adverse action.

#### **Report of the Hearing Officer**

The hearing officer shall report in writing his findings of fact (through the officer issuing the notice of proposed adverse action) to the official making the decision on the adverse action. The report shall be accompanied by a statement supporting the hearing officer's reasons for including or not including in his report testimony where the credibility of witnesses has been a determining factor. Copies of the hearing officer's report shall be furnished the employee, and the employee's and Agency's representative.

### **APPEAL**

#### **Notice of Adverse Decision; Contents**

An employee is entitled to appeal under the Agency appeals system from a decision by the Agency to take adverse action against him, and an employee's properly filed appeal will be accepted and processed in accordance with the appeals system.

When a notice of decision to take adverse action is issued to an employee covered by this Section, such notice, *in addition to information required by pertinent Civil Service regulations*, shall inform him that:

1. He has a right to appeal in writing to the appropriate appeals officer (see "Levels of Adverse Action Initiation/Decision, and Appeal Review/Decision" of this Section), and also inform him where he may obtain information on how to pursue his appeal;
2. His appeal must set forth clearly the basis for the appeal;
3. He may file his appeal at any time after the notice of adverse decision, but not later than 10 calendar days after the effective date of the adverse action.<sup>1</sup> This time limit may be extended, at the discretion of the Agency, upon a showing by the employee that circumstances beyond his control prevented him from filing an appeal within the prescribed time limit, or for other reasons deemed sufficient by the Agency;
4. If he appeals initially to the Agency, he may in addition, but not concurrently, appeal to the Civil Service Commission from the same adverse decision. If he elects to appeal initially to the *Agency* within the time limit prescribed by the foregoing paragraph, he will be entitled to appeal to the Commission under its regulations only after, but not more than 10 days later than, his receipt of the notice of the final Agency appeal decision. If he

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<sup>1</sup> Use of the word "employee" in relation to an appeal includes terminated employees who have properly filed an appeal under these procedures.

elects to appeal to the *Commission* within the same time limit prescribed by the foregoing paragraph, he forfeits his right of appeal to the Agency. If his appeal to the Agency is not completed within 60 days after filing, the employee may elect to terminate the Agency appeal by appealing to the Commission.

A copy of the notice to the employee will be furnished the appropriate appeals officer.

**Appeals Officer Responsibilities**

**Presentation of Appeal**

Upon the timely written presentation of an appeal by an employee, the appeals officer shall secure all available pertinent files and records from the officer issuing the notice of decision to take adverse action.

The appeals officer shall assure the employee :

1. Freedom from restraint, interference, coercion, discrimination, or reprisal ;
2. The right to be accompanied, represented, and advised by a representative of his own choosing ; and
3. A reasonable amount of official time if he is otherwise in an active duty status.

When an employee of the Agency is designated as a representative by an employee appealing under the Agency appeals system, the appeals officer shall assure the representative :

1. Freedom from restraint, interference, coercion, discrimination or reprisal ; and
2. A reasonable amount of official time if he is otherwise in an active duty status.

**Avoidance of Delay**

The appeals officer shall :

1. Establish an informal "target" date for completion of the appeal process so as to insure, whenever possible, that a decision is issued to the employee within 60 days from the date the employee filed his appeal ;
2. Give full, impartial, and expeditious consideration to each appeal ;
3. Take steps to prevent unreasonable delay by the employee in pursuing his appeal ; and
4. Process each appeal with dispatch.

**Termination of Appeal**

The appeals officer shall terminate an employee's appeal whenever one of the following conditions develops :

1. The employee requests in writing that the appeal be terminated ;

2. Failure of the employee to prosecute when he does not furnish required information of a reasonable nature and duly proceed with the advancement of his appeal. In this case, the appeals officer shall provide at least three work days' advance written notice to the employee, with a copy to the employee's representative, giving reasons for intention to terminate the employee's appeal. Notwithstanding the requirement for termination of an appeal for the employee's failure to prosecute when he does not furnish required information, the appeals officer in such cases may adjudicate the appeal if the information is sufficient for that purpose. The appeals officer will not reopen a closed appeal except in his discretion upon a showing by the employee that circumstances beyond his control prevented him from prosecuting the appeal;
3. If the employee files an appeal to the Civil Service Commission from the same adverse decision and the Commission accepts the appeal for adjudication; upon receipt of official information to that effect, the appeals officer will furnish written notice to the employee, with a copy to the employee's representative, giving the reason for terminating the employee's appeal.

#### **Death of Appellant**

In the event an employee dies after proper filing, and prior to adjudication of his appeal, the appeals officer shall;

1. Proceed to completion and adjudicate the appeal;
2. If appropriate, initiate corrective action on such appeal; this may include cancelling the adverse action, and amending the Agency's records to show retroactive restoration and continuance on the rolls to the date of death.

#### **Appellate Review**

The review of each appeal by the appeals officer shall include, but shall not be limited to, a review of:

1. The issues of fact;
2. Compliance with the Agency and Commission procedural requirements for effecting the adverse action.

#### **Appellate Decision**

The appeals officer, after considering the entire appellate record, will make a decision in which he may:

1. Sustain the previous decision to take adverse action; or
2. Modify the previous decision by substituting a less severe action;  
or
3. Reverse the previous decision.

**Notice of Appellate Decision**

The appeals officer shall notify the employee promptly, in writing, with a copy to the employee's representative, and the Agency official who made the decision on the adverse action, of:

1. The decision on the employee's appeal; or
2. The termination of the employee's appeal; and
3. Any appeal rights the employee may have under the Civil Service Commission's regulations.

**Employee Appeal File**

When an employee files on appeal under the Agency appeals system, the appeals officer shall establish a permanent employee appeal file, apart from the employee's official personnel folder, containing all pertinent documents relating to the appeal, including copies of the:

1. Notice of proposed adverse action;
2. Employee's reply, if any;
3. Administrator's determination and reasons for not granting a hearing when one was requested but not granted;
4. Reasons for impracticality of availability of Agency employees to the hearing officer as witnesses;
5. Written transcript or summary of the hearing, including any exceptions, and all pertinent documents submitted to the hearing officer for his consideration;
6. Report of the hearing officer;
7. Notice of adverse decision;
8. Employee's appeal;
9. Notice of the final Agency appeal decision.

## Section 6

## PERSONNEL RECORDS IN OPERATING OFFICES

Authorization to maintain the personnel records described in this Section is limited to those offices which are authorized to submit requests for personnel action directly to the Personnel Branch. This will normally be the Division level.

This Section does not require that personnel records be kept in operating offices, but does prescribe the only acceptable system whenever it is decided that such records are necessary.

Personnel records kept in operating offices should be made available to all supervisory employees.

In keeping with government-wide regulations and OA policy, personnel records kept in operating offices are limited to the following:

- (1) Employee Record File consisting of:
  - (a) *Position Identification Strip*, Standard Form 7d, and
  - (b) *Employee Record Card*, Optional Form 4b;
- (2) Position Descriptions File.

**EMPLOYEE RECORD FILE**

The Employee Record File, a visible pocket type, is composed of the *Position Identification Strip* for each established position together with the *Employee Record Card* for each employee occupying such position. Divider cards are to be used to identify established organizational levels. Like organizational entities may be headed by cards of one color, another a second color, etc.

If desired, the Employee Record File can be used as a handy control for pending personnel actions. Three by five cards or paper slips can be inserted in the appropriate visible file pocket showing the usual necessary control information such as the Standard Form 52 control number, employee or applicant name, nature of action, date forwarded, etc. The insert can be placed vertically in the proper *Position Identification Strip* for all actions not requiring the establishment of a new position or placed horizontally so that it covers the position information part of a blank *Position Identification Strip* when a position is to be established.

**Position Identification Strip, Standard Form 7D**

A *Position Identification Strip*, Exhibit 2-1-6-A, is prepared for each allocated position showing the position title, number, and service and grade. Usual abbreviations should be used for position titles to permit insertion in the space provided.

The strips are filed in the following manner:

- (1) By organizational unit (Branch, Section, or Unit)
- (2) Within each organizational unit by:
  - (a) Classification service
  - (b) Grade—from highest to lowest.

The filing order of the Standard Forms 7d will, of course, determine the order of filing the employee record cards. *Position Identification Strips* should be removed from the file and destroyed when positions are cancelled.

Blank *Position Identification Strips* may be used to indicate the ceiling available for the establishment of positions.

**Employee Record Card, Optional Form 4b**

The *Employee Record Card*, Exhibit 2-1-6-A, is intended for use by operating officials as a basis for initiating personnel actions, recording training and qualifications, and noting commendation and many other personnel items which make up the personnel job of the operating official.

The card should be prepared initially in operating offices from the employee copy of the *Notification of Personnel Action*, Standard Form 50. Subsequent entries should be hand-written in ink from the employee's copy of the *Notification of Personnel Action*; the *Payroll Change Slip*, Standard Form 1126; and the Personnel Branch copy of the *Notice of Performance Rating*, Form H-117. Personal and qualifications information may also be entered from information obtained from the employee or official records. The card is filed by inserting it in the appropriate *Position Identification Strip*.

*Employee Record Cards* for employees either transferred or separated from the operating office should be destroyed.

**POSITION DESCRIPTION FILE**

The position description file provides information in connection with the official duties and responsibilities of each position.

The position description file should contain one copy of the position description for:

- (1) Each active budgeted position.
- (2) Each inactive position, i. e. established positions which are not provided for in the current budgeted organization, but which it is not considered advisable to cancel because of the possibility that they will be required in the foreseeable future.

Position descriptions for additional identical positions should not be included in the file.

Copies of position descriptions should be filed by major organizational segments in two separate groupings—one for active budgeted positions and one for inactive positions. Within each group, position descriptions should be filed by grade, from highest to lowest.

When new budgeted positions are established, a copy of the position description should be placed in the active portion of the file.

As active positions are designated as inactive, the position description should be removed from the active portion of the organizational file and placed in the inactive portion of the file.

Periodically, the inactive file should be screened to determine those positions which no longer meet the criteria for inclusion as inactive positions. Action should be taken to cancel such positions. Position descriptions for positions which are cancelled should be removed from the files and destroyed.





## Section 9

### ROUTING OF FIELD PERSONNEL ACTIONS IN THE CENTRAL OFFICE

Regional Office personnel actions which require Central Office approval are sent to the Division of Personnel. In addition to the regular administrative and budgetary clearances, appointment actions in the Regional Community Facilities, Urban Renewal, and Legal Branches shall be routed to counterpart Central Office organizations for review and approval.

The heads of the counterpart organizations or their designees shall indicate their approval by initialing item K (5) of Part II of Standard Form 52, *Request for Personnel Action*. All personnel actions shall be returned to the Division of Personnel no later than two working days after their receipt in the counterpart organizations.

## **Section 10**

### **EMPLOYEE COMPENSATION FOR ON-THE-JOB INJURIES**

The Federal Employees' Compensation Act, provides for medical care and compensation for employees who suffer injuries or death in the performance of their duties.

This Section describes the procedures for securing medical treatment and reporting injuries. The rules and regulations and other published materials of the Bureau of Employees' Compensation provide additional information.

The existence of benefits under this Act does not relieve employees and supervisors of taking reasonable precautions to prevent accidents. No benefit may be paid if an injury or death is caused by willful misconduct of the employee or intention to bring about the injury or death of himself or another, or if intoxication of the injured employee is the proximate cause of the injury or death.

#### **ARRANGING FOR TREATMENT FOR INJURIES**

##### **Responsibility of Supervisors**

In case of injury while on the job, the employee's immediate supervisor is responsible for providing for medical or first-aid treatment. Two rules must be observed to assure the employee of full benefits under the Act:

- (1) Except in emergencies<sup>1</sup> the injured employee in need of first-aid or medical treatment must be referred to the Medical Officer, U. S. Public Health Service, Outpatient Clinic, South Health, Education and Welfare Bldg., 4th and D Sts. N.W., Washington, D. C.; or, the Medical Officer in Charge, U. S. Public Health Service, Providence Hospital, 1150 Varnum St. N.E., Washington, D. C.
- (2) Form CA-16 or CA-17, *Request for Treatment*, must be used to secure treatment.

Claim for reimbursement for transportation expense incurred for the purpose of securing treatment may be submitted on Standard Form

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<sup>1</sup>In cases of an emergency nature or cases involving unusual circumstances the Bureau of Employees' Compensation may in the exercise of its discretion authorize treatment at other than the facilities listed.

1012 by the injured employee for consideration by the Bureau of Employees' Compensation. If an ambulance is required, ordinarily the ambulance company will file a claim for reimbursement with the Bureau of Employees' Compensation.

#### **Responsibility of Administrative Offices**

Within 48 hours after an accident, the administrative office shall follow up to make certain that Form CA-2, *Official Supervisor's Report of Injury*, is completed by the supervisor, and that Form CA-1, *Notice of Injury*, is completed by the injured employee, or by someone for him. These forms shall be completed even in case of minor injury where no medical treatment is necessary. Failure to do so may result in denial of the employee's claim if the injury requires subsequent treatment.

The original of Forms CA-1 and CA-2 shall be sent to the Division of Personnel for forwarding to the Bureau of Employees' Compensation. All other forms required in individual cases shall also be forwarded to the Division of Personnel, in duplicate, except Form CA-16 or CA-17, for which only a duplicate shall be forwarded. Duplicate copies of all forms are filed in the employee's personnel folder.

Administrative offices shall keep a supply of these forms available at all times.

#### **Employees Who Refuse Medical Attention**

If an injured employee does not avail himself of needed medical attention, the supervisor shall notify the Administrative office, which shall immediately advise the employee, in writing, of the possibility of loss of compensation benefits if subsequent complications develop from the injury.

#### **Employees Injured In Official Travel Status Away From Duty Post**

When an employee is injured while he is in official travel status away from his headquarters, he shall:

- (1) Obtain first aid or initial medical attention from a United States Medical Officer or designated physician or, if neither is immediately available, from a duly qualified private physician.<sup>1</sup>
- (2) Secure the names and statements of witnesses, if possible.
- (3) Contact his supervisor or administrative office as soon as possible for appropriate authorization for medical treatment. The employee may not sign an authorization for his own treatment.

<sup>1</sup> Administrative offices shall, as occasion requires, distribute current lists of United States hospitals and outpatient clinics and designated physicians to employees whose duties require them to travel.

**COMPENSATION**

Compensation payments based on the employee's salary are made for partial or total disability when accidents occurring at work result in a loss of pay. In case of total disability, these payments are at the rate of 66 $\frac{2}{3}$  percent of the employee's salary or wage loss if he has no dependents; or at the rate of 75 percent if he has one or more dependents.

Whenever loss of salary is involved, the employee's supervisor shall insure the completion of Form CA-4, *Claim for Compensation on Account of Injury*, in duplicate, and shall forward it to the administrative office for submission to the Division of Personnel.

**USE OF LEAVE BY EMPLOYEES IN INJURY CASES**

If the injured employee's disability does not extend beyond the day on which the injury was received, no charge against leave shall be made. Any absence thereafter which results from the injury may at the discretion of the employee be charged to (1) sick or annual leave, in lieu of compensation, or (2) leave without pay in order to claim compensation. Before making a decision, the administrative office shall fully inform the employee as to the disadvantages or advantages of each course of action. Extended leave without pay, in excess of 22 working days, shall be granted in accordance with procedures in Section 2-7-6.

**INJURIES CAUSED BY THIRD PARTY**

"Third party" cases are those in which a party other than the United States may be liable to pay damages for the injury or death of a Federal employee. The Government must be reimbursed for all medical and disability compensation payments disbursed on behalf of an injured employee if he recovers damages upon a third party claim. Therefore, employees should bear in mind the importance to the Agency of the proper handling and reporting of third party cases.

Employees and their supervisors share responsibility in insuring that administrative offices make certain the Division of Personnel is informed promptly of accidents involving third parties, in order that appropriate action may be taken by the Agency with the Bureau of Employees' Compensation (Subrogation Branch of the Office of the Solicitor). This notification should be sent to the Division of Personnel along with Form CA-2, and all other pertinent information, such as statements from witnesses, police reports, comments from the official superior which might assist in making a determination as to third party responsibility, etc.

To insure careful screening of cases which have potential merit as third party cases, employees should be aware of the following basic factors to be considered:

(1) Is a person other than the United States (i.e. another Government vehicle or a co-employee) involved in the accident?

(2) Is a party other than the United States possibly liable for the injury or death in question? Consider the following:

- (a) Willful or negligent violation of a duty owed to the injured employee. This might be either the commission of an act or the failure to act when the circumstances so required.
- (b) Defective premises, materials or equipment, especially if the latter is furnished by vendors under Government contract.
- (c) Financial responsibility of the third party. Does he have insurance coverage? This information is of the greatest importance. If there is no insurance, or facts concerning insurance cannot be obtained, what other property or assets does the third party own? Where the negligent act was caused by an employee while working for his employer, obtain the above information about the employer as well.
- (d) Seriousness of the injury sustained. What was the length of absence from duty? What were the medical expenses, and what are the probable future expenses? Is the injury of a nature which may result in some permanent defect or involve possible future disability?
- (e) Cause of the injury. Following are some types of cases which often must be rejected as third party cases:
  1. Attacks by dogs unless the owner maintains a home-owner's policy which covers this hazard; also, unless the injury is serious and disabling for more than three days or results in substantial medical expense.
  2. Cases of slipping and falling on ice or snow unless it appears that the owner of the premises knew of the dangerous condition and had ample opportunity to correct the condition.
  3. Assaults by co-employees.

In cases of injury involving an automobile accident<sup>1</sup>, administrative offices shall, as soon as possible after the accident, make every effort to secure names and addresses of, and statements from, all witnesses, as well as copies of the local police report of the accident.

Injured employees are cautioned against furnishing the third party or any representative of his insurance carrier with any information or signed statements which might materially prejudice the employee's claim. Similarly, employees are advised not to sign documents authorizing such persons to review medical and other reports in the Bureau's file or in the Agency's file, at least until the employee has received proper legal advice either from the Bureau's Subrogation Branch or from his own attorney. Under no circumstances should an employee execute a general release and settle his third party case without first

<sup>1</sup> In reporting accidents involving Government-owned vehicles, or private vehicles being used for official travel, the procedure described in Section 6-9 must be employed.

consulting either the Bureau's Subrogation Branch or his own attorney concerning the adequacy of the settlement. The Bureau may require, in cases of third party injuries, that the employee assign to the Government his right of action against such person, or to prosecute action against the third party. If damages are recovered in excess of benefits paid by the Bureau, the excess is retained by the employee.

Whenever an injury in which any of the factors discussed above, or any other circumstances, indicate the actual or potential existence of a third party case, all available information pertaining to the case shall, as soon as possible after it is received, be referred by the Division of Personnel to the Office of General Counsel for review and advice, prior to referral to the Bureau's Subrogation Branch.

## **Section 11**

### **REQUESTING PERSONNEL ACTIONS**

Personnel action requests shall be prepared, in triplicate, on Standard Form 52, *Request for Personnel Action*. The original and one copy shall be routed to the Division of Personnel. The remaining copy shall be retained by the originating office until official action has been taken. Actions involving details or transfers or personnel between offices shall be initiated by the office requesting the employee.

Standard Form 52 is required whenever an employee moves into or out of a position, or a new position is to be established. A request is not required in reporting a change in name; a memorandum signed by the employee is sufficient. A Standard Form 52 which has been cancelled may not be reactivated under the original request number. If a request is to establish a new position with no intention of immediate recruitment, a new Standard Form 52 must be initiated when the position is to be encumbered.

Requests for personnel action are reviewed in the Division of Personnel for conformance with Civil Service Commission rules and regulations and Agency personnel policies. In addition, the Division of Personnel is responsible for securing necessary clearances.

Commitments or final offers regarding employment or promotions shall not be made until notice is received from the Division of Personnel that the action has been approved by the appointing officer. No Agency employee shall encourage an applicant or employee to take any action on the assumption that the appointing officer will act favorably on a request for personnel action.

#### **TIMING OF SUBMISSIONS**

In order to allow ample time for clearance and processing, personnel action requests involving recruitment or the establishment of a new position should be initiated well in advance of the desired effective date.

Instructions for initiating personnel actions not covered in this Section may be obtained from the Division of Personnel.

#### **PREPARATION OF STANDARD FORM 52**

**Part I. Requesting Office.** Fill in all items in this part, except those inside the heavy lines, as follows:

*Name.* Show the name in the same way that it appears on present personnel records or will be used for such records. Enter the last name first, followed by first and middle names or by one given name and

one initial. If the individual has no middle name, show "NMN" under "Middle"; if he has initials only, show initial(s), followed by "(No given name)".

*Birth Date.* Use numerals, for example: "1-27-42." Any discrepancy as to date of birth should be called to the attention of the Division of Personnel.

*Social Security Number.* Insert employee's social security number.

*Kind of Action Requested.* Enter the appropriate standard term (see below) under: (1) *Personnel*, if a person is affected by the request; (2) *Position*, if a position is affected by the request; or under both (1) and (2) if a request affects both a person and a position.

*Appointment:* Any personnel action which adds an employee to the Agency rolls.

*Promotion:* A change of an employee to a higher grade.

*Reassignment:* A change of an employee from one position to another without promotion or demotion.

*Leave Without Pay:* A temporary non-pay status and absence from duty at employee's request. No standard Form 52 is required if LWOP is not in excess of 21 days.

*Return to Duty:* A return from a temporary non-pay to a pay status. Standard Form 52 is not required if the return to duty date is the same as that specified on the first notice authorizing non-pay status.

*Detail:* A temporary assignment of an employee for a specific period to a position other than the one to which he was appointed, without change in his civil service or pay status. A detail which is to be in excess of 30 days shall be reported on Standard Form 52, except as provided in Section 2-4-5.

*Reimbursable or Non-Reimbursable Loan:* A paid or unpaid detail of an employee from another Federal agency.

*Extension of Appointment, NTE Days:* An extension of a limited appointment.

*Retirement:* A separation of an employee who will receive civil service retirement benefits because of retirement for age disability, or optional retirement.

*Separation-Transfer:* A separation of an employee transferring to another Federal Agency without a break in service.

*Resignation:* A separation at the employee's request.

*Death:* The date of death shall be shown on the separation request as the effective date.

*Request Number.* Beginning with number one each fiscal year, number in consecutive order, prefixed by code of originating office and the last two digits of the current fiscal year; for example, the first request for the Urban Renewal Administration for fiscal year 1963 would be: UR-63-1.

*Date of Request.* Use numerals, for example: "1-15-63."

*Proposed Effective Date:* Optional use.

*Position Sensitivity.* Insert "Sensitive" if position has been previously designated sensitive.

*Items 15 thru 24.* Complete both "From" and "To" blocks if two OA positions are affected; if an accession action or if only one OA position is involved, use the "To" block alone; if a separation action, use the "From" block alone.

*Position Title and Number.* For established positions, that is, classified positions, enter the official class title as shown on Optional Form 8, *Position Description*. The organization title, if any, may be shown in parentheses below the class title. However, in the case of student assistant and housing intern positions, the organizational titles "Housing Intern" or "Student Assistant," as appropriate, shall always be shown in parentheses below the class title. For proposed positions, enter the suggested title.

*Pay plan and Occupational code, Grade or Level, and Salary.* For established Positions, enter series and grade.

*Name and Location of Employing Office.* Indicate the organization in which the position is located.

*Remarks by Requesting Office.* Some types of personnel actions require special justification before they can be approved (see below "Documentation of Standard Form 52"). Include such explanation in this space, or, if space is insufficient, attach a separate memorandum in duplicate. Also, identify other papers attached to the Standard Form 52 in this space.

*Requested by:* To be signed by the official requesting the action.

*For Additional Information Call:* Insert name of the person to be contacted in case of inquiries relating to the action.

*Request Approved By:* If the request involves a promotion or an appointment at GS-7 or above, the signature of the head of the originating office or his deputy is required. Other requests may be signed by authorized officials in the originating office.

*Part II. To be Completed by Division of Personnel.*

*Part III. (Reverse of Form) if Applicable, to be Completed by Employee.*

The reverse side of the Standard Form 52 may be used by an employee in submitting his resignation. When an employee resigns by letter, the signed letter shall be attached to Standard Form 52. The specific reason for an employee's resignation shall be obtained, since the facts underlying the resignation may influence his eligibility for further rights and benefits, such as retirement, reemployment, and unemployment compensation. Avoid generalized statements such as "personal reasons" and "ill health." If an adequate reason cannot be obtained, a statement to that effect shall be made under Part III by the appropriate official. A formal resignation is not required if the employee is transferring to another Federal Agency.

*Part IV. Separation Data.*

The forwarding address of an employee being separated shall be entered in this space.

**DOCUMENTATION OF STANDARD FORM 52**

The following types of personnel action requests, because of their time limitations, require special justification as well as an estimate of their duration :

- Temporary Appointment
- Reimbursable or Non-Reimbursable Loan
- Extension of Limited Appointment
- Detail

## **Section 12**

### **EMPLOYEE-MANAGEMENT COOPERATION**

This Section provides procedures and guidelines to be followed in carrying out the HHFA employee-management cooperation policy established July 1, 1962, and subsequently published in Volume II, Section 3-2-8. These procedures and guidelines supplement the HHFA policy, and shall govern management representatives, employees, and employee organizations representing or seeking to represent HHFA employees.

#### **CONFLICTS OF INTEREST**

The duties of certain categories of employees are incompatible with holding office in, or representing, an employee organization. These categories are specified in the HHFA policy in Volume II, Section 3-2-8. In addition, there may be instances when it will be necessary for management to notify specific individual employees not included in the restricted categories that, in view of their particular official assignments, their participation in the leadership of an employee organization would conflict with their responsibilities to the Agency.

Similarly, employees in the restricted categories who believe that in their particular assignments no conflict of interest would exist if they were to participate in the management of or act as a representative of an employee organization, may request, through supervisory channels, a decision on their individual cases.

#### **RECOGNITION OF EMPLOYEE ORGANIZATIONS**

The HHFA policy provides that, upon meeting the requirements of Executive Order 10988, employee organizations requesting recognition shall be accorded informal, formal, or exclusive recognition, as appropriate.

#### **Coordination with the Administrator**

Developments with respect to the following matters shall be brought to the attention of the Administrator <sup>1</sup> for consideration and determination as to appropriate action:

- (1) Information that an employee organization requesting or accorded recognition by the Agency is allegedly or actually so subject to corrupt influences or influences opposed to basic

<sup>1</sup> As used hereafter in this Section, the term "Administrator" includes his designees.

democratic principles that recognition would be inconsistent with the objectives of Executive Order 10988;

- (2) Alleged or actual non-compliance with the Standards of Conduct for Employee Organizations on the part of an employee organization requesting or accorded recognition by the Agency;
- (3) Complaints of violations of those prohibited agency management or employee organization practices described in Section 3.2 of the Code of Fair Labor Practices which (a) involve an immediate or potential strike, work stoppage, slowdown, or related picketing engaged in as a substitute for any such strike, work stoppage, or slowdown against the Government of the United States; or (b) have not been informally adjusted and as a result entail the services of a hearing officer or panel of such officers; or (c) merit consideration for uniform Agency-wide disposition and/or Agency-wide interest;
- (4) Immediate or potential need for employment of an arbitrator, or approval of an arbitrator's advisory decision or recommendation pursuant to Sections 8(b) and 11 of Executive Order 10988;
- (5) Requests by employee organizations for recognition at the national level;
- (6) Development of any basic or initial agreement with an employee organization as the exclusive representative of employees in a unit; and
- (7) Cause for actual or potential inapplicability of any section of Executive Order 10988 (except Section 14) pursuant to Section 16 of the Order.

#### **Authority to Deal with Employee Organizations**

The Division of Personnel shall, with affirmative willingness, carry out the management responsibilities of the Administrator in regard to relationships with employee organizations, including responding to requests for recognition, the according of such recognition, and consultation and negotiation, as appropriate.

#### **Requirements for Recognition**

An employee organization seeking recognition from the Office of the Administrator, CFA, or URA must furnish:

- (1) A roster of its officers and representatives;
- (2) A copy of its constitution and by-laws;
- (3) A written statement adopting or subscribing to standards pursuant to the Standards of Conduct for Employee Organizations; and
- (4) A written statement of its objectives.

Additional requirements are specified below under the headings "Informal Recognition," "Formal Recognition," and "Exclusive Recognition."

**Informal Recognition**

Informal recognition shall be accorded an employee organization which makes a showing that it represents member employees for whom it desires recognition, and which does not qualify for formal or exclusive recognition, without regard to whether any other employee organization has been accorded formal or exclusive recognition. An employee organization requesting informal recognition shall submit in writing the information required above, under the heading "Requirements for Recognition."

**Formal Recognition**

An employee organization requesting formal recognition shall submit in writing the following information, in addition to that required above, under the heading "Requirements for Recognition":

- (1) A specific definition of the proposed unit in which the employee organization desires to be recognized; and
- (2) Evidence that the employee organization has a substantial and stable membership of not less than 10 percent of the employees in the unit. An employee organization may request an advance determination of the specific type of evidence needed in its case. The Agency may, at its option, verify the percentage of membership with an audit by an independent person or organization.

An employee organization may not be accorded formal recognition as the representative of its members in a unit when any other employee organization is qualified for exclusive recognition as the representative of employees in the unit.

**Exclusive Recognition**

An employee organization requesting exclusive recognition shall submit in writing the information required above, under the heading "Formal Recognition," and in addition, furnish evidence that a majority of the eligible employees<sup>1</sup> in the proposed unit are members of the employee organization, or have indicated by their written authorization (e.g., by signing designation cards or a petition) that they desire to be represented by the employee organization.

**Election Conditions**

When an employee organization claiming majority support does not have adequate evidence of majority status, but can provide satisfactory evidence that 30 percent or more of the eligible employees in an appropriate unit are members of the employee organization or have indicated by their written authorization their desire to be represented by the employee organization, an election in which all eligible employees in

<sup>1</sup> The term "eligible employees" includes all employees except the categories of employees listed in Volume II, Section 8-2-8, under the subheading "Membership in Employee Unit with Exclusive Recognition."

that unit have the right to participate shall be held at the request of the employee organization seeking exclusive recognition.

#### **Election Procedures**

When an election is to be held, all other employee organizations claiming exclusive recognition, or requesting or accorded formal or informal recognition with respect to any of the employees in the unit involved, shall be notified by the Division of Personnel of the proposed election. Notification must be in sufficient time to enable such organizations to participate in the election.

Procedures for the conduct of elections shall be established by mutual agreement between the Division of Personnel and the employee organization or organizations seeking exclusive recognition; however, such procedures shall:

- (1) (a) Conform to the provisions of the Federal Personnel Manual, particularly with respect to the requirement that in order to be accorded exclusive recognition, an employee organization must be chosen by a majority of those eligible employees voting in a *representative* election; (b) take into consideration the provisions of the Labor Department's "Procedural Guide for Majority Status Determinations"; and
- (2) Include appropriate provisions (a) enabling professional employees to specifically indicate whether they desire inclusion in or exclusion from the proposed unit. (No unit may be established for purposes of exclusive recognition which includes both professional and nonprofessional employees unless a majority of such professional employees vote for inclusion in such unit); and (b) eliminating from the ballot count those ineligible for inclusion in the proposed unit (See Volume II, Section 3-2-8, under the subheading "Membership in Employee Unit with Exclusive Recognition.")

#### **Unit Determination**

Units for formal or exclusive recognition purposes shall be determined in accordance with the provisions of Executive Order 10988, the Federal Personnel Manual, and Section 3-2-8 of Volume II.

## Part 2. Personnel Administration

## Chapter 2. Position Classification

## Section 1

**AUTHORITY FOR THE CLASSIFICATION OF A POSITION****THE CLASSIFICATION ACT OF 1949**

The Classification Act of 1949 is the authority under which departmental and field positions of the Office of the Administrator are classified. Title I of this Act carries the following statement of policy:

"It is the purpose of this Act to provide a plan for classification of positions and for rates of basic compensation whereby—

"(1) in determining the rate of basic compensation which an officer or employee shall receive, (A) the principle of equal pay for substantially equal work shall be followed, and (B) variations in rates of basic compensation paid to different officers and employees shall be in proportion to substantial differences in the difficulty, responsibility, and qualification requirements of the work performed and to the contribution of officers and employees to efficiency and economy in the service . . ."

The Classification Act further provides that, in its administration, "there shall be no discrimination with respect to any person, or with respect to the position held by any person, on account of sex, marital status, race, creed, or color.

**AGENCY AUTHORITY**

The Administrator has authority and responsibility for final action in classifying positions up to and including grade GS-15, without obtaining the prior approval of the Civil Service Commission. At the same time, all positions in the classified service are subject to a periodic review by the Civil Service Commission to determine whether the agency "is placing positions in classes and grades in conformance with or consistently with published standards." When upon review, the Commission finds that positions are not properly classified under agency authority, it corrects their classification and such corrections are binding on the agency. If the Commission finds evidence of willful violations of classification standards, it can revoke or suspend the agency's authority to classify any or all of its own positions.

**PERSONNEL BRANCH RESPONSIBILITIES**

The Personnel Branch, Classification Section, is authorized and required to investigate, review, evaluate, and recommend to the Director of Personnel, Assistant Administrator (Administration) and the Administrator the grade and salary classification of Office of the Administrator positions, and to make any necessary presentations and justifications to the Civil Service Commission.

In addition to reviewing day-to-day actions, the Classification Section is responsible for making periodic classification surveys to assure that

the classification of all OA positions is current and appropriate at all times; and for assisting Civil Service Commission position classifiers in their conduct of post-audit surveys by making available classification information, records, charts and related material.

It is the responsibility of the Classification Section to provide technical advice to the Administrator and the staff of the OA on classification matters in relation to operating and administrative situations.

The Classification Section is also responsible for participating with the Civil Service Commission and consulting with OA subject matter specialists in the development of standards governing the classification of positions under the Classification Act.

#### OPERATING OFFICE RESPONSIBILITIES

No official or employee of the Agency has the authority to make a commitment on the grade of a position which has not been classified. However, the supervisor of each organization unit is responsible for maintaining a continuing review of the positions under his jurisdiction and for initiating the action necessary to insure that all position descriptions are accurate and current. Periodically he will be asked to certify to the Personnel Branch the accuracy of descriptions for all positions in his part of the organization. This responsibility arises directly from the supervisor's general responsibility for making work assignments, directing the flow of work in his office and determining that each employee is performing his assigned tasks in an orderly and efficient manner.

When assignments are changed as a result of program or organization changes, because of the individual abilities of employees, or for any other reason, the supervisor should submit for classification new position descriptions which reflect the changed assignments. New position descriptions need not be submitted for temporary changes in assignment which do not exceed 90 days.

## Part 2. Personnel Administration

## Chapter 2. Position Classification

## Section 2

**PROCEDURE FOR THE CLASSIFICATION OF POSITIONS****WHAT IS A POSITION**

A *position* is the full, continuing work assignment determined by competent authority, usually the supervisor, to be the responsibility of an individual employee. A position consists of duties and responsibilities; that is, it involves the execution of work assignments and the exercise of the authority delegated to the employee in connection with such assignments. Not until the position has been described and classified in its proper grade and series can the administrative officials of OA authorize payment for the discharge of the assigned duties and responsibilities at a rate determined by law to be commensurate with the difficulty and responsibility of the job.

**THE POSITION DISTINGUISHED FROM THE INCUMBENT**

Each OA employee should understand that it is his position which is classified, not his qualifications for the position. An employee's qualifications and aptitudes presumably fit him for the position he is occupying and may fit him for a position of greater or different difficulty and responsibility. It is not necessarily true, however, that because he is capable of performing at a higher grade level, his current assignment warrants a higher grade. In practice, as an employee demonstrates his ability to do more difficult and responsible work, his supervisor will normally increase his assignment if the work of the office and administrative considerations permit. In such a case the increased duties and responsibilities may support a higher grade for the position.

**USES OF THE POSITION DESCRIPTION**

Because of the importance of the position description, care and thought should be expended in its preparation. The position description is the vehicle by means of which a position is classified in its proper grade and occupational category. Its use extends beyond this process, however. It is an official supporting document for the payroll. It is used by the Employment Staff in the selection and referral of individuals qualified to do the job; and provides executives and placement officers with a sound basis on which to assign or re-assign employees so that the training and experience they have gained in previous jobs can be best applied.

The supervisor uses the position description to acquaint prospective employees with the requirements of the position; and it serves as a basis for clear mutual understanding between the supervisor and the employee as to what is expected of the latter. In this connection, it becomes a reference document in the making of performance ratings.

The position description is a guide and source of information in

studies made by the immediate supervisor or higher authority regarding the flow and distribution of work in the office; the optimum utilization of employee abilities and skills; the realignment of functions and organization units, in the interest of increased efficiency; and related management analyses. Similarly, it serves as a source of information for budget planning.

#### STEPS IN THE CLASSIFICATION OF A POSITION

The Classification Act of 1949 and Civil Service regulations require that before an employee is appointed, promoted, reassigned, demoted, or transferred, a position must have been established in order that the proper rate of pay may be determined. It is the responsibility of the supervisor to insure that the position is accurately described.

Positions are classified under one of two schedules prescribed by the Classification Act: The General Schedule (GS) with grades from 1 through 18; and the Crafts, Protective and Custodial (CPC) with grades from 1 through 10. Salary rates, differing for the two schedules, are attached to each grade. They are not flat rates, but provide for minimum and maximum rates for each grade, with periodic increases in compensation until the maximum rate is reached. Longevity increases beyond the normal maximum are allowable under conditions prescribed by the Act.

When an existing position description is found upon review to be inadequate; or when a completely new position is to be established, the following steps are followed in the classification of the position:

##### Definition of Assignment

The supervisor determines the specific duties and responsibilities of the position, the kind of authority to be delegated to the incumbent, his working relationships with fellow employees and with his supervisor. If the duties of the proposed position are being performed by an employee, the supervisor discusses it with him to be sure that there is mutual understanding of the employee's responsibilities.

##### Preparation of the Position Description

If the position to be classified is filled, the description should be written by the employee. If it is a vacancy, the description should be written by the supervisor directly responsible for the work.

The Civil Service Commission has issued a *Guide for Writing Position Descriptions*, Standard Form 75A, to be followed in writing a position description. (See Exhibit 2-2-2-A.) Copies of this form, the use of which is mandatory, are usually available in the administrative office of each Division and are always available in the Personnel Branch. It should be used as a guide in describing the duties and responsibilities of the position; in every instance points 1 through 5 must be covered in the description; 6 is optional.

The language of the position description should be as clear, simple, and direct as possible. General expressions such as "with wide lati-

tude," "work of extreme complexity," erroneously thought to be "classification language," add nothing to the value of the job description and should be avoided if possible. If used at all, they should be followed by specific statements or illustrative examples. Similarly, if an employee is required to assist another, the character of such assistance should be specifically stated. For example, an employee may assist his supervisor, an Engineer, by typing reports, filing documents( reviewing plans and specifications for design elements, drafting technical or policy correspondence, etc. Clearly these tasks would be evaluated at different grades, yet each comes under the general heading of "assistance."

#### Initiating the Classification Request

When completed, reviewed, and if necessary, corrected by the supervisor, the position description should be typed, as described below, and all copies attached to the *Request for Personnel Action*, Standard Form 52.

The position description should be prepared as follows:

- (1) Seven copies of the face sheet and the position description are needed.
- (2) Type one copy of the position description on plain bond, the six remaining copies on tissue.
- (3) Type the face sheet as follows:
  - An original and one carbon copy on *Position Description*, Standard Form 75 (Exhibit 2-2-2-B).
  - Five carbon copies on plain tissue.
- (4) Type the following information on the face sheets:
  - Space 1: Check "Departmental"
  - Space 2: Insert Washington, D. C.
  - Space 3a: Title, grade and number of superseded position, if applicable.
  - Space 8e: Title and grade recommended for the position by the initiating office.
  - Space 9: Organization or working title (optional).
  - Space 10: Name of employee, if presently employed in OA and actually performing the duties and responsibilities described, otherwise, "Vacancy."
  - Space 11: Insert "Housing and Home Finance Agency, Office of the Administrator."
  - Space 11a: Insert Appropriate Division
  - Spaces 11b through 11e: Insert appropriate Branch Section and unit.
  - Space 13: Title of immediate supervisor.
  - Space 14: Title of Division Director or designee.
  - Space 16: Do not begin typing position description here: enter the notation "See attached pages."

EXHIBIT 2-2-2-A

Standard Form 750  
U. S. CIVIL SERVICE COMMISSION  
GENERAL PERSONNEL MANUAL

Guide for Writing Position Descriptions

The Classification Act provides a method of paying Government employees an equitable salary on the basis of equal pay for equal work performed. Accurate and complete position descriptions are necessary for this purpose and for other management uses. On the other side of this page is a guide for the preparation of such descriptions. For convenience, the Guide is addressed to the person in the position.

The left side of the Guide gives general directions for writing your position description. The right side gives examples or suggestions for each part of the general directions. These examples and suggestions, while not all-inclusive, should be helpful in describing most types of positions.

Identify each part of your description to correspond with the outline headings. If a heading does not apply, say so, to show that you have considered it.

Read the entire Guide carefully before you start writing. Then describe your job in plain, clear language. Do not use general terms and vague expressions. Give the facts requested by the directions to be as brief and to the point as possible. Avoid giving substantially the same information in more than one place; refer to a previous heading instead of repeating.

15-5750-4

Front

Reverse

Guide for Writing Position Descriptions

Part 1 asks you to tell what your work is. Parts 2 through 6 ask for the details of your work bearing on its difficulty and responsibility. Consider parts 2 through 6 carefully in relation to the tasks described in part 1. Where these detailed aspects of your work are not the same for different duties, be sure to bring this out. Add under part 6 any important facts about your work which you have not covered elsewhere.

General Directions

Examples and Suggestions

I. NATURE AND PURPOSE OF WORK:

For Example:

A. Introduction:  
State briefly what is done by the unit in which you work; explain how your job fits in with others in the organization. (Make clear the purpose of your position, either here, or in describing your duties, below.)

My job is located in the Voucher Branch of the Accounts Division where all agency vouchers are audited before being sent to the Treasury Disbursing Office for payment. I am one of six employees who audit purchase vouchers under the Head of the Purchase Voucher Section.

B. Duties:  
(1) List your different kinds of duties. Describe each briefly but in enough detail to give a clear understanding of your work. Then estimate percentage of time for each. (Use any method of arranging the list which will give the best picture of your total position; you may group the tasks you do for each common function or purpose, or follow order of performance, or of importance.)

Voucher Auditing: I receive current vouchers for goods and services from the Control Section, where they were assembled and matched with supporting documents. I check them to see that required supporting documents are present and in order; for legal and other requirements; for conformance with contract terms; and to see that payment has not already been made. After I finish and approve vouchers, they go to the Section Head for certification and forwarding to Disbursing. 75%

Correspondence: I compose letters to payees and agency officials requesting additional facts, missing receipts, etc., and explaining suspensions of payments. 50%  
Filing: I file copies of completed vouchers according to vendor's name. 5%

(2) If you have any responsibility for the work of others, explain the nature and extent of your supervision and guidance of their work. (This includes supervision over those who report to you, and their subordinates. It also includes indirect and functional responsibility, such as central offices usually have for corresponding field or bureau offices.)

Suggestions:  
State by kinds of jobs the employees for whom you are responsible, and to what extent. Explain how you plan and assign their work; instruct and advise them while they are doing their work; and see that their work is done satisfactorily in terms of time, quantity, and quality.

Explain what administrative responsibility you have; for instance, tell what part you take in selecting, promoting, or separating employees; preparing efficiency ratings; approving leave; adjusting or preventing complaints; and guiding relationships and building morale. Describe here consultant, review, or inspection work, only if you have responsibility for the work of others involved.

2. SCOPE AND EFFECT OF WORK:  
State how and to what extent your actions, recommendations, and decisions affect your organization, other agencies, or the public.

Explain the consequences of possible mistakes or errors in judgment. Describe how you influence the quantity or quality of work produced by others. Explain the extent of your authority to speak or act for your agency or organization.  
Describe the effects of your work on: (a) Policies, procedures, and organization; (b) Use of people, material, equipment, and funds.

3. SUPERVISION AND GUIDANCE RECEIVED:  
State what supervision and help you receive—before, during, and after performance of your assignments—from your supervisor, other, written guides, or practices.

Identify your immediate supervisor and others from whom you receive help. Tell how specific and detailed their instructions are and describe the kind of things on which they help you. Describe any other guides for doing your work, such as regulations, procedures, practices, manuals, and standards, and tell how directly they affect your work. Tell who reviews your work and for what purpose; give examples of any work you do which is not reviewed.

4. MENTAL DEMANDS:  
State the nature and extent of the mental demands of your position. They should include any or all of the following: (1) Initiative—taking action without specific instructions; (2) originality—the creativeness or inventiveness demanded by the work; (3) judgment—the selection of the best course of action; or (4) any other significant mental demands.

If it is necessary for you to take action without specific instructions, explain why, how often, and in what kinds of situations. If you must devise new ways of doing things, describe conditions of old methods, describe briefly, giving examples. Tell the kinds of problems you work out, and how you do it.

Explain the kinds of situations in which you select the proper action to take; indicate how often this happens; and tell what choices you consider and how you decide what to do. State how and to what extent you must interpret guides and supervisory instructions before applying them. Describe any duties that require you to learn and retain an unusual number of facts, figures, or details.

5. PERSONAL WORK CONTACTS:  
State the nature and purpose of the contacts you have in your work with persons other than your supervisors or subordinates.

Tell whether your work contacts are to exchange information, to make explanations, to persuade others, or to take part in group action. Indicate whom you contact and how often. Describe conditions that aid or hinder you in accomplishing the purposes of your contacts.

6. OTHER:  
Specify any knowledge, skills, job conditions, or other considerations, not covered elsewhere in your position description, which affect the responsibility or the difficulty of your work.

State any significant working conditions or important requirements of your job not described above. State any knowledge, skills, and abilities actually required by the job (but only if you have not covered them under other headings, or if they are not obvious from the duties). For instance, include special manual skills, physical abilities, or aptitudes required. Identify the tasks concerned in each case and describe how and why such requirements are necessary.

U. S. GOVERNMENT PRINTING OFFICE 15-5750-4

EXHIBIT 2-2-2-B

Standard Form No. 75 February 1961  <b>UNITED STATES CIVIL SERVICE COMMISSION</b> <b>POSITION DESCRIPTION</b>		1. Check one: Dept? <input type="checkbox"/> Field <input type="checkbox"/>		2. Official headquarters:		4. Agency position No.		
3. Reason for submission: (a) If this position replaces another (i. e., a change of duties in an existing position), identify such position by title, allocation (service, series, grade), and position number.		4. C. S. C. certification No.		5. Date of certification		7. Date received from C. S. C.		
6. CLASSIFICATION ACTION		(b) Other (specify)						
ALLOCATION BY		CLASS TITLE OF POSITION		CLASS			INITIALS	DATE
a. Civil Service Commission				Service	Series	Grade		
b. Department, agency, or establishment								
c. Bureau								
d. Field office								
e. Recommended by initiating office								
8. Organizational title of position (if any)				9. Name of employee (if known, specify V-1, A, S, or G)				
10. Department, agency, or establishment				a. Third subdivision				
a. First subdivision				d. Fourth subdivision				
b. Second subdivision				e. Fifth subdivision				
12. This is a complete and accurate description of the duties and responsibilities of my position				13. This is a complete and accurate description of the duties and responsibilities of this position				
_____ (Signature of employee)		_____ (Date)		_____ (Signature of immediate supervisor)		_____ (Date)		
14. Certification by head of bureau, division, field office, or designated representative				15. Certification by department, agency, or establishment				
_____ (Signature)		_____ (Date)		_____ (Signature)		_____ (Date)		
Title: _____				Title: _____				
16. Description of duties and responsibilities (See Guide to Position Classifiers, Employees, and Supervisors for the Preparation of Position Descriptions, Standard Form No. 75A)								
If more space is required, use the other side and additional pages also 2-2-2-B 20-4770-2 U. S. GOVERNMENT PRINTING OFFICE								

- (5) Attach the face sheets to the position descriptions.
- (6) Obtain the following signatures on the two copies faced with Standard Form 75;

The initials of the official who administratively reviewed the description prior to submission to the Division Director following the title and grade recommendation in space 8e.

The signature of the employee; if presently employed in the OA and actually discharging the duties and responsibilities described in Space 12.

The signature of the immediate supervisor in Space 13.

The signature of the Division Director or his designee in Space 14.

The signatures on the position description constitute an official certification that the duties and responsibilities assigned to the position, and if it is filled, the duties and responsibilities actually discharged, are exactly as described in the job sheet.

#### REVIEW AND EVALUATION BY POSITION CLASSIFIER

When the *Request for Personnel Action* and attached position description are received in the Personnel Branch, a position classifier reviews the position description and discusses the job, as necessary, with the responsible administrative and operating officials. When an employee is assigned to and performing the duties of the proposed position, the position classifier frequently makes a desk audit; that is, he discusses the job with the employee and his supervisor to obtain additional information about it.

After all of the pertinent facts have been obtained, the position classifier analyzes and evaluates the difficulty and responsibility of the position and recommends its grade and series classification. In this he is guided by position classification standards, published by the Civil Service Commission, which define occupational groups (series) and grade levels, and prescribe the titles for many kinds of positions.<sup>1</sup> Positions which are not covered by published standards are judged by application of criteria established by the Civil Service Commission, prior Agency allocations, and by reference to published standards for related types of positions.

The Classification Act expressly forbids the classification of "a supervisory position solely on the basis of the size of the group . . . or other organization unit or the number of subordinates supervised. Such factors may be given effect only to the extent warranted by the workload of the organization unit and then only in combination with other factors, such as the kind, difficulty, and complexity of work supervised, the degree and scope of responsibility delegated to the supervisor, and the kind, degree, and character of the supervision actually exercised."

<sup>1</sup> A full set of published classification standards is maintained in the Classification Section and is available to the operating staff on request.

**RESPONSIBILITY FOR THE APPROVAL OF THE CLASSIFICATION**

The position description and the classification recommendation are forwarded to the Director of Personnel who finally approves or disapproves, on behalf of the Administrator and the Assistant Administrator (Administration) all classification actions in the Crafts, Protective and Custodial Service and in the General Schedule through Grade 7.

Final approval of classification recommendations in grades GS-8 through GS-12 is given by the Assistant Administrator (Administration) and in grades GS-13 through GS-15, the Administrator.

Positions recommended for the so-called "super grades," GS-16, GS-17, and GS-18, must be sent to the Civil Service Commission for allocation; and GS-18 positions can be classified only with the approval of the President.

**DISTRIBUTION OF APPROVED POSITION DESCRIPTIONS**

After the classification action has been completed, one copy of the new position description (stamped "Office Copy") is forwarded to the initiating office for information and record purposes; and one to the employee, if the job is incumbered, for his personal file. A third copy is placed in the employee's official personnel file. The original is kept in the Personnel Branch as the official master copy.

**CHANGES TO LOWER GRADE**

If a classification action results in the change to a lower grade of an employee, he is notified by the Director of Personnel, in writing, 30 days before the effective date of the change.

**CONDITIONS TO BE MET BEFORE SALARY CHANGE BECOME EFFECTIVE**

Three conditions must be met before an employee can be paid at the rate of compensation consistent with the grade of a new position: The position must be officially classified; the employee must meet the qualification requirements for filling it; and administrative action must be completed, by execution of a *Notification of Personnel Action*, Standard Form 50, officially placing the employee in the position. Salary changes resulting from classification action are effected at the beginning of the pay period following the signing of the Standard Form 50, by the Administrator or his designee, except in the case of changes to lower grade, when they become effective not less than 30 days following the issuance of notice of change by the Director of Personnel.

**OTHER CLASSIFICATION ACTIONS**

There are two principal types of classification actions in addition to the allocation of new positions: The establishment of additional identical (a.i.) positions and the accomplishment of vice actions.

An *additional identical* position is a position having precisely the same duties and responsibilities as those of a current, allocated position; precisely the same organizational location; and coming under the jurisdiction of the same immediate supervisor.

A *vice action* is the means by which an employee is placed in a previously established position. Such an action is valid only when the position description is current in every respect; that is, when the title, organizational location and description, and the statement of duties and responsibilities are entirely accurate and adequate.

Both types of action require the critical review of an existing position by the responsible supervisor and the position classifier, and the submission and review of the *Request for Personnel Action*, Standard Form 52, identifying the allocated position on which action is proposed by number, title, and organization location. It is not necessary to prepare a new position description for these actions. Upon receipt of the Standard Form 52, the position classifier holds discussions and makes desk audits, as necessary, just as he does for the establishment of a new position. His approval is signified by initialling and releasing the Standard Form 52 to the Employment Section of the Personnel Branch, for review of the employee's qualifications. From there it is forwarded for the processing of the *Notification of Personnel Action*. As in the case of a new position, any salary change resulting from such action is effected at the beginning of the pay period following the signing of the Standard Form 50 by the Administrator or his designee.

#### PROCEDURE FOR REVIEW OF CLASSIFICATION ACTIONS

##### Review by Supervisor

Each supervisor should maintain a continuing review of all positions under his jurisdiction. This is essential to a good classification program and should result in optimum benefits both to employees and to the agency. If a position is changed as a result of organization or program changes, or additions to or deletions from assigned duties and responsibilities, the supervisor should initiate a revised position description for classification action. The supervisor should never request the filling of a vacant position before reviewing it to be sure that it describes exactly what he wants the new employee to do. Vacant positions should be reviewed semi-annually and if not needed or no longer current should be cancelled by memorandum to the Classification Section.

In addition, the head of each major organization unit is asked every year to sign a statement certifying which positions he finds accurate and adequate; which positions inaccurate or inadequate; and which ones are no longer needed in the organization. At the same time, he is asked to submit staffing charts showing current assignments and reporting channels for all employees; and drafts of position descriptions accompanied by *Requests for Personnel Action* to replace those which need to be changed.

##### Review by the Personnel Branch

The OA is required by regulation to make periodic classification surveys to insure that its positions are currently described and properly allocated in accordance with Civil Service Commission standards. Since it is impossible for the Classification Section to review every OA

position every year, the surveys are conducted by a sampling method, in which the certified lists and staffing charts prepared by the key supervisors in the agency serve as a guide. The annual review of selected positions or groups of positions in every organization unit provides both operating and classification staff an opportunity to work out classification problems before they become serious. In classification surveys, position descriptions are submitted in organizational groupings for review, evaluation, and recommendation. In other respects, the procedures followed are the same as those for individual actions.

**Review by the Civil Service Commission**

Periodically, the Civil Service Commission, through its staff of position classifiers, reviews the classification programs of all departments and agencies. Their purpose is to determine whether the spirit and the letter of the Classification Act are being followed; to work with the agencies in the solution of classification problems; and to assure the proper classification of individual positions.

The Civil Service Commission surveys are conducted on a sampling basis, through desk audits and review of position descriptions; and the procedures are generally similar to those followed in OA classification surveys.

Classification decisions made by the Commission are binding on the OA.



## Part 2. Personnel Administration

## Chapter 2. Position Classification

## Section 3

**POSITION CLASSIFICATION APPEALS PROCEDURE****APPEALS TO THE OA**

After a position has been classified, if the employee in it believes the classification is wrong, he can appeal the decision. The OA has authority to correct its own decision without referral to the Civil Service Commission. An appeal from an OA classification decision should be made by forwarding to the Director of Personnel a statement including the following information:

- (1) A certification that the position description is accurate, or a proper revision of the position description in question, and
- (2) Reasons why the employee believes the position is erroneously classified.

In all appeals by Central Office employees desk audits are made. After discussion and evaluation of the case the position classifier writes a report analyzing all points raised in the appeal, and recommending a classification decision. Final action is taken by the Assistant Administrator (Administration) on positions proposed for classification in GS-12 or below, and by the Administrator on positions proposed for GS-13 through GS-15.

When a decision has been reached, the employee is notified in writing by the Director of Personnel. If the decision is in his favor, the erroneous classification will be corrected automatically.

**APPEALS TO CIVIL SERVICE COMMISSION**

An appeal from a classification decision may be sent directly to the Civil Service Commission; but both the OA and the Commission prefer that it be directed to the agency first, and that appeals to the Civil Service Commission be forwarded through agency channels.

An appeal to the Commission should be prepared in duplicate and must include the following information as prescribed by the Federal Personnel Manual:

- (1) Employee's name and mailing address;
- (2) Location of official headquarters;
- (3) Exact location in the organizational structure of the unit in which he works;
- (4) Present title, grade, and salary of his position;
- (5) Requested title and grade or other classification action;
- (6) Complete and accurate description of duties and responsibilities performed (preferably on Standard Form 75, filled out in accordance with the instructions in Standard Form 75A);
- (7) Reasons why employee believes the position is erroneously classi-

fied, or should be brought under or excluded from the Classification Act; and

- (8) Statement of any conditions or classification standards known to him which affect the appeal.

When the appeal has been prepared, the employee asks his supervisor to sign the statement of duties and responsibilities if he agrees that it is factually correct. The supervisor neither approves nor disapproves the appeal as such, and has no authority to delay its submission. If he disagrees with any factual statements made, he should not sign the position description but should submit a signed statement with the appeal covering the points on which he disagrees. The documents should be forwarded to the Director of Personnel for transmittal to the Civil Service Commission. (If an employee sends an appeal directly to the Civil Service Commission, that agency will request the Director of Personnel to supply the required information and background material.)

Upon receipt of an appeal from an OA employee, a position classifier from the Civil Service Commission makes the investigations and holds the discussions necessary to give him a basis for a fair evaluation of the position. He may discuss the position with the employee and his supervisor.

When a decision has been made, the Commission notifies the Personnel Branch and the employee; and the grade determined by the Commission to be the right grade (whether higher or lower than the OA's classification, or the same) is officially recorded for the position.

The employee may appeal from this decision by filing an appeal within 14 calendar days after receipt of the decision. Such an appeal is addressed to the Board of Appeals and Review, Civil Service Commission.

#### **EFFECTIVE DATE OF SALARY CHANGE FOLLOWING AN APPEAL DECISION**

Personnel actions and salary changes resulting from position classification appeals will be made effective as quickly as possible but not earlier than the date of the appeal decision, and not later than the second pay period following an OA decision, or the second pay period following receipt of a Civil Service Commission decision.

An exception to this procedure occurs (1) if a subsequent effective date is specifically stated in a Civil Service Commission appeal decision; or (2) if the original appeal was filed within 30 days after receipt of a written notice of action lowering the grade and the appeal decision raises the grade. In this case, the corrective actions are retroactive to the date the appeal was filed.

#### **APPEALS BY VETERANS' PREFERENCE ELIGIBLES**

In filing position classification appeals, employees entitled to veterans' preference may follow the procedures outlined in Chapter Z-1 page 33 *et seq.*, of the Federal Personnel Manual. Further information, and assistance on veterans' appeals can be obtained from the Director of Personnel or the Classification Section.

## **Section 2**

### **EMPLOYMENT OF RELATIVES**

This section prescribes policies governing the employment of relatives within the OA, CFA, URA, and HHFA Regional Offices. The term "employee" as used below refers to any employee of one of these elements of the Agency.

#### **PROPOSED APPOINTMENT OF CLOSE RELATIVES**

The children, wives, husbands, or parents of employees shall not be considered for employment.

#### **EMPLOYMENT OF RELATIVES OTHER THAN CLOSE RELATIVES**

Whenever relatives other than the children, wives, husbands or parents of employees are considered for employment (and if employed, upon any change in employment status), the selecting official must assure that the best interests of the merit system are served.

#### **EMPLOYMENT STATUS FOLLOWING MARRIAGE TO AN EMPLOYEE**

The marriage of an employee to another employee does not of itself affect the retention of either employee. However, to the maximum extent consistent with the merit system, assignment of husband and wife in the same organization unit shall be avoided. In no event shall duty assignments be permitted whereby a supervisor-employee relationship or other possibility of favorable treatment exists, or may ensue, between such persons.

#### **REQUESTS FOR EXCEPTIONS**

Any requests for possible exceptions to this policy, as for example, in the case of applicants or employees who are specially qualified in occupational fields in which a manpower shortage exists, shall be forwarded to the Director of Personnel for consideration.

### **Section 3**

#### **TRANSPORTING FEDERAL EMPLOYEES AND APPOINTEES TO NEW DUTY STATIONS AT GOVERNMENT EXPENSE**

The travel of an employee or appointee to a new duty station and the expense of transportation of his immediate family, and of transportation, packing, crating, temporary storage, drayage, and unpacking of his household goods and personal effects may be paid by the Government:

- (1) When an employee is transferred between permanent duty stations for the convenience of the Agency.
- (2) When a new appointee is transferred from another Federal department or agency to a permanent duty station within and for the convenience of the Agency.
- (3) When a position to which a new appointee is to be assigned, or to which a student trainee is to be promoted upon completion of his college work, is in an occupational field in which it has been determined by the Civil Service Commission that a manpower shortage exists.

#### **CHANGE OF OFFICIAL STATION**

Any change of permanent duty station is presumed to be for the convenience and benefit of the Government unless the employee has requested the transfer. An employee responding to an agency request for candidates for a specific position will not be considered as having requested a transfer.

#### **TRANSFER FROM ANOTHER DEPARTMENT OR AGENCY**

In determining the eligibility of an individual recruited from another Federal agency for transfer at government expense, the facts must support the conclusion that the employing agency actively sought out the employee and secured his acceptance of an offer of employment in order to realize some unusual convenience or benefit to the Government. If it appears that the employee actively sought the employment or requested the transfer, he is not eligible for transfer at Government expense. Accordingly, where an employee is selected from the applicant files, there is a presumption that he is not eligible for transfer expenses in the absence of specific facts establishing that the transfer is not being made at his request.

Other basic criteria for determining the eligibility of Government employees for reimbursement of expenses incurred in transfers from one department to another are as follows:

- (1) Expenses may not be allowed if there is a break of one or more work days between the employee's last day of service with the agency from which he is transferring and his first day of service with the agency to which he is transferring.
- (2) Expenses may be allowed in only those cases where the transfer is between permanent duty stations.
- (3) Employees are not excluded from the benefits of the transfer expense statute by reason of holding other than permanent appointments or for lack of competitive Civil Service status, if they are otherwise eligible for transfer expenses.

#### **APPOINTMENT OF NEW EMPLOYEES IN CRITICAL OCCUPATIONS**

The Civil Service Commission has authorized the payment of travel and transportation expenses to the first duty post of new appointees and student trainees when promoted upon completion of their college work, to positions in the United States for which there is determined by the Civil Service Commission to be a manpower shortage. The payment of these expenses upon promotion of a student trainee after completion of college work is prohibited however, if such expenses were paid upon his appointment as a student trainee.

#### **DOCUMENTATION**

In cases of payment of transportation and travel expenses between permanent duty stations or from another Federal department or agency, Standard Form 52, *Request for Personnel Action*, shall be sufficiently documented to support the conclusion that the transfer is for the convenience of the Agency and not for that of the employee.

Form H-25, *Travel Order—Request and Authorization*, shall accompany each Standard Form 52 involving payment of transportation and travel expenses. (See Section 4-2).

#### **RESPONSIBILITY FOR DETERMINING ELIGIBILITY FOR PAYMENT OF TRAVEL AND MOVING EXPENSES**

The eligibility of an employee or appointee for payment of travel and moving expenses will be determined by the Director of Personnel. No commitment for the payment of travel and moving expenses shall be made in advance of such determination.

## **Section 4**

### **EMPLOYMENT OF ANNUITANTS**

In recognition of the Agency's policy for filling positions with the best qualified persons available, no annuitant shall by reason of his retired status, be barred from employment in any position for which he is fully qualified. In considering the employment of annuitants, however, due weight shall be given to the long range objective of the Agency to staff the career service with personnel qualified for advancement.

An annuitant who has reached the mandatory retirement age will not ordinarily be reemployed. Exceptions to this policy may be made by the Director of Personnel only if it can be demonstrated that an annuitant's qualifications are so specialized that the Agency programs will be seriously handicapped unless he is reemployed. In the case of such an exception, reemployment shall usually be limited to 3 months.

An employee who has been retired under the optional retirement provisions of the Retirement Act shall not be reemployed for the purpose of granting him Social Security coverage.

#### **DISABILITY ANNUITANTS**

The Agency recognizes its special obligation to reemploy former employees who have retired for disability and have recovered and been restored to earning capacity.

A disability annuitant, regardless of age, may be reemployed under a temporary appointment of less than one year's duration without prior approval of the Civil Service Commission.

A disability annuitant under age 60 may be reemployed in other than a temporary appointment only with the prior approval of the Civil Service Commission. Civil Service Commission approval is not required for the appointment of a disability annuitant age 60 or over to any position for which he is qualified.

It must be determined, however, that the candidate is physically qualified to perform the duties of the particular position for which he is to be employed, in the same manner as for any other candidate being considered for appointment.

#### **FUTURE RETIREMENT RIGHTS**

The future retirement rights and status of reemployed annuitants depend upon a number of factors which are described in detail in the

Federal Personnel Manual. (See Reemployment of Retired Employees, R-5-63.)

**PROCEDURAL REQUIREMENTS**

Standard Form 52, *Request for Personnel Action*, shall be documented as to supply the following information:

- (1) *All annuitants*: Statement regarding general background and reasons for the recommendation.
- (2) *Annuitants over age 60*: Certification that the annuitant possesses special qualifications for the position vacancy.
- (3) *Annuitants to be newly covered by the Social Security Act*: Certification that the appointment is for the good of the service and not primarily to give the applicant Social Security coverage.

## **Section 5**

### **EXCEPTED APPOINTMENTS**

This Section provides the general policy and procedures covering excepted positions in the Office of the Administrator, the Community Facilities Administration, the Urban Renewal Administration, and the HHFA Regional Offices.

Excepted positions are those positions which are not subject to competitive appointment procedures. They include all positions excepted from Civil Service Act by statute and all positions excepted from competitive appointment procedures by Civil Service Regulation VI. Some excepted positions may also be excluded from coverage under the Classification Act of 1949, as amended. Such a position is usually called an "exempt" position. Whether or not the position is covered by the Classification Act has no bearing on it being an excepted position.

#### **DETERMINING THAT A POSITION IS OR SHOULD BE EXCEPTED**

With the exception of statutory positions, the Civil Service Commission has authority to except positions from the competitive service whenever it determines that it is not practicable to make appointments to such positions through competitive examination. HHFA positions excepted by the Civil Service Commission are in one of the following categories:

*Schedule A.* Positions other than those of a confidential or policy-determining character for which it is not practicable to examine are listed in Schedule A.

*Schedule B.* Positions other than those of a confidential or policy-determining character for which it is not practicable to hold a competitive examination are listed in Schedule B. Appointments to these positions shall be subject to such non-competitive examination as may be prescribed by the Commission.

*Schedule C.* Positions of a confidential or policy-determining character are listed in Schedule C.

Agency requests to the Civil Service Commission for the exception of any position from the Civil Service Act must be made by the Administrator. Requests to the Administrator shall be made by memorandum from the constituent or division head, through the Director of Personnel.

The following are the rules for filling excepted positions:

- (1) Selections for excepted vacancies must be based on fitness and qualifications for the specific position to be filled.
- (2) Only United States citizens will be employed in excepted positions. Exceptions to this rule may be made by the Director of Personnel when permitted by current appropriate legislation.

The laws and regulations applicable to excepted positions are listed in Exhibit A.

#### TYPES OF EXCEPTED APPOINTMENTS

Effective July 1, 1958, appointments to excepted positions will be made in one of the following ways with the notations indicated appearing on the Notification of Personnel Action:

- (1) *Excepted Appointment, NTE (date)*. This terminology will be used when a specific time limitation is necessary.
- (2) *Excepted Appointment—Career-Conditional*. This terminology will be used when it is normally expected that an employee will become part of the Agency's permanent work force. Upon completion of a three year substantially continuous Federal service, the conditional limitation will be removed and the appointment converted to *Excepted Appointment—Career* (unless the employee occupies a military or defense transfer position).
- (3) *Excepted Appointment—Indefinite*. This terminology will be used for all other excepted appointments, including appointments in Schedule C. This type of appointment does not provide initial Civil Service Retirement Act coverage. Whenever such coverage does not result from previous service under the "continuity of service" formula of the Retirement Act and where such coverage is deemed necessary, the Director of Personnel may, upon specific recommendation of a constituent or division head or Regional Administrator, approve the use of *Excepted Appointment* in lieu of *Excepted Appointment—Indefinite*.

#### EXCEPTED POSITIONS TO WHICH CAREER APPOINTMENTS MAY BE MADE

The following Schedule A authorities are designated as appropriate positions for either *Excepted Appointment—Career Conditional* or *Excepted Appointment—Career*:

- |               |                              |
|---------------|------------------------------|
| 6.101 (d)     | Attorneys                    |
| 6.142 (a) (1) | Executive Secretaries—NVMCEC |

#### CONVERSION ACTION

The appointment journals of all employees in excepted positions shall be amended or corrected in conformity with this Section. No present employee shall be adversely affected by this conversion action. The Director of Personnel shall be responsible for establishing the procedures for notifying affected employees and the issuance of the corrected Notification of Personnel Action and for issuing instructions regarding the establishment of an appropriate record if conversion action is not taken.

## EXHIBIT A

APPLICABILITY OF VARIOUS LAWS AND CIVIL SERVICE REGULATIONS  
TO EXCEPTED SERVICE POSITIONS

The fact that a position is in the excepted service does not in itself exempt it from the application of provisions of law and regulations that apply to Federal employees generally. For example, excepted positions are subject to:

- (1) *Classification Act* unless they are covered by the exemptions listed in Section 202 of the Classification Act or are exempted from that act by some other statute.  
*Step increase* regulations and general compensation rules under the Classification Act.
- (2) *Employment practices* covered by Executive Order 10590 establishing a nondiscriminatory employment policy and providing a procedure for handling complaints of discrimination.
- (3) *Group Life Insurance Act*, unless they belong to groups excluded by the Act or by Civil Service Regulations.
- (4) *Incentive Awards Program*.
- (5) *Leave Act and Leave Regulations*, except the Housing and Home Finance Administrator.
- (6) *Overtime, Night, and Holiday Pay Regulations*, unless they are in one of the categories excluded by section 25.203 of the Regulations.
- (7) *Performance Rating Act*.
- (8) *Political Activity* restrictions of section 9(a) of the Hatch Act.
- (9) *Reemployment Rights Provision*.
- (10) *Civil Service Retirement Act*, unless excluded as outlined in this Section.
- (11) *Security Regulations*. Investigations are required for filling all sensitive positions whether in the competitive or excepted service and for appointments to non-sensitive positions.
- (12) *Separation Protection for Veterans*. If the incumbent of an excepted position is a veteran with a year or more of Federal service the provisions of section 14 of the Veterans Preference Act apply.
- (13) *Unemployment Compensation*, unless they belong to groups excluded by the Unemployment Compensation Act or regulations of the Department of Labor.
- (14) *Universal Military Training and Service Act*. Section 9 of this Act gives reemployment rights to persons who leave other than temporary positions for military service.
- (15) *Veterans Preference Act*. Preference in appointment and retention applies to all excepted positions other than those filled by Presidential appointment or with Senate confirmation.
- (16) *Whitten Amendment*. (Section 1310 of the Supplemental

**EXHIBIT A (Page 2)**

Appropriation Act of 1952, as amended.) Excepted positions are affected by:

- (a) The limitation of permanent appointments so that there are not more than 10% over total Government-wide number on September 1, 1950. In order to control this Government-wide total, the Civil Service Commission has set up the system of career and career-conditional appointments for the competitive service and has authorized the various agencies to set up similar provisions for the excepted service which must not result in an increase in the number of excepted permanent appointments in the Agency over the September 1, 1950 figure. Under current restrictions the Office of the Administrator will limit permanent type excepted appointments to positions in which it is normally expected that the employee may become a part of the Agency's permanent work force and to special cases described in item (3) in the paragraph on "Types of Excepted Appointments" in this Section.
- (b) The prohibition against making permanent appointments to military and defense transfer vacancies. See Item (12), "Separation Protection for Veterans."
- (c) The limitation on excessively rapid promotions.

## Part 2. Personnel Administration

## Chapter 4. Changes in Status and Separations

## Section I

**REDUCTION IN FORCE PROCEDURES**

This Section outlines the rules and regulations governing reductions in force in the Office of the Administrator. It summarizes the more important sections of the Retention Preference Regulations of the Civil Service Commission, the laws under which these regulations are issued and the administrative interpretations of those regulations which have been adopted by the Agency.

Generally, statutes and the regulations of the Civil Service Commission which guide reduction in force operations in the OA provide for:

- (1) The grouping of employees by tenure, i.e., type of appointment, and veteran preference for reduction in force purposes.
- (2) The establishment of competitive levels, i.e., the grouping of positions similar in grade and duties.
- (3) The establishment of areas of competition, i.e., the relationship between the Office of the Administrator and the other parts of the HHFA in connection with reductions in force.
- (4) The rights of certain employees whose positions are eliminated to be assigned into, i.e., "bump," continuing positions for which they are qualified and which are held by employees with lesser retention rights.
- (5) The appeal and reemployment rights of employees affected by reduction in force actions.

**DEFINITIONS**

*Reduction in Force* means the involuntary separation of an employee from a duty and pay status for more than 30 days, by furlough or by separation from the rolls, in order to reduce personnel. The term does not apply to termination of temporary appointments, retirement of employees, or separation for cause and other actions, proposed for reasons which promote the efficiency of the service.

*Furlough* (as applied to reduction in force) means retention on the rolls on leave without pay pending recall to duty.

*Competing Employees* means the position incumbent, if any, and employees who are qualified for the position.

*Qualified* means having the basic education and experience, and such special skills and aptitudes as are necessary, to take over the position in a reduction in force and render satisfactory service without undue interruption to the work program.

*Competitive Area* means that part of an agency, usually within a local commuting area, in which employees are shifted, transferred, re-assigned, promoted and demoted under single administrative au-

thority, and within which competitive levels are established in reduction in force. It does not limit the authority of the agency to make placements outside of the competitive area during RIF.

*Competitive Level* means all similar positions within a competitive area in which employees could be readily interchanged, without undue interruption to the work program. Except in rare cases such positions will be in the same grade or occupational level.

*Retention Standing* means precise rank among competing employees for a continuing position, by retention group and subgroup, and by retention credits within each subgroup.

*Retention Credits* means credits given for length of Government service and performance ratings.

*Government Service* means the total of all periods of civilian service in the executive, legislative and judicial branches of the Federal Government and in the District of Columbia Government, and of all active military service.

*Performance Rating* means the current official performance rating under the OA Performance Rating Plan.

*Continuing Position* means a position which is expected to continue for at least three months after the effective date of the separation, furlough, or reduction in grade or salary of an employee qualified for such position.

*Effective Date* means the date an employee is separated, reduced in grade or pay, or furloughed, as the result of actions under these regulations.

#### ADMINISTRATIVE PLANNING OF REDUCTION IN FORCE

Division Directors are responsible for initiating reduction in force action whenever the use of these procedures is necessary to reduce personnel costs for budgetary reasons or to vacate certain positions because of decreased or changed work load requirements.

After determining that a reduction in force is necessary, the positions to be affected are selected, on the basis of operational needs and/or available budget. Ordinarily, if the reduction in force is as a result of a cut in specific program appropriations, it is natural to expect that the personnel employed in such programs would be the first affected. Because of the manner in which reductions in force placements to other continuing positions must be made, the employees who incur the positions initially named are not necessarily the employees to be finally separated.

#### Procedures

Division Directors shall submit a memorandum to the Personnel Branch listing the positions to be eliminated and the names of the persons incurring these positions. The Personnel Branch will prepare the reduction in force notices and placement offers based on the retention registers and individual qualifications.

**RETENTION OR TENURE GROUPS**

For the purpose of determining relative retention preference in reductions in force, competing employees with performance ratings of "Satisfactory" or better are classified according to tenure of employment and veteran preference in groups and subgroups as follows:

**Group I—Career**

In the competitive service, this group consists of career employees who have completed probation and who are not "temporary" or "indefinite" as the result of promotion, transfer or reinstatement, except that career employees serving under conditional promotions shall be considered in this group with respect to positions at and below the grade in which they last served on a permanent basis.

In positions excepted from the competitive service, this group includes all employees serving under appointments with no conditions or restrictions.

Within this group, persons entitled to veteran preference are in subgroup "A" and others in subgroup "B".

**Group II—Career-Conditional**

In the competitive service, this group includes career employees who are conditional because they are serving probationary periods, or are "temporary" or "indefinite" as the result of promotion, transfer or reinstatement, or are subject to some other limitation of a similar nature.

In positions excepted from the competitive service, it includes employees who are conditional solely as the result of promotion or reinstatement.

Within this group, persons entitled to veteran preference are in subgroup "A" and others in subgroup "B."

**Subgroup III—Indefinite**

This group includes persons serving under nonstatus nontemporary appointments in positions in the competitive service. It also includes employees in positions excepted from the competitive service serving under any condition or limitation other than a conditional promotion or reinstatement or a specific time limitation of one year or less.

Within this group, persons entitled to veteran preference are in subgroup "A" and others in subgroup "B."

**Employees Excluded from Retention Groups**

Since employees who hold temporary appointments and those who have received an official performance rating of "Unsatisfactory" may be separated at any time without use of reduction in force procedures, they are not listed in any retention group. They will be listed, however, in their proper competitive level.

**RETENTION REGISTERS**

When two or more competing employees are in a competitive level which is to be affected in reduction in force a retention register is

compiled. All employees in positions in such a level regardless of leave status, except those on military furlough, are entered on the retention register in order of retention groups and subgroups, and according to retention credits in any subgroup. Temporary employees and employees with "Unsatisfactory" performance ratings are listed below those in regular retention groups. The register will reflect the expiration date of the one year statutory retention rights for all employees having such rights.

Separate registers are compiled for the competitive service, the excepted service and for positions filled on a when actually employed (WAE) or part time basis.

#### Retention Credits

One retention credit is given for each full year of Federal Government service, and four retention credits is given for an "Outstanding" performance rating.

#### Availability for Inspection

Employees notified of proposed adverse action in reduction in force will have an opportunity to examine retention registers and other records which have a bearing on the actions in their cases. Retention registers will be made available for inspection in the Personnel Branch.

#### REDUCTION IN FORCE ACTION

Employees who cannot be retained in their positions because of a reduction in force will be changed to a continuing position, separated or furloughed.

#### Order of Selection

With respect to each competitive level, action is taken to remove all employees with official "Unsatisfactory" performance ratings, and all temporary employees from positions affected by a reduction in force before any competing employee in any retention group is reached for action. Selection, therefore, must be made in order from the bottom to the top of the retention register. Half years of service will be used in breaking ties in retention standing, but any ties still remaining will be decided administratively.

Employees with one-year statutory retention rights after return from military furlough<sup>1</sup> must be retained through that year regardless of their relative retention rights, and are therefore, an exception to the normal order to selection.

#### RIF Placement Rights

##### Competitive Service

An employee in the career or career-conditional group who is willing to accept a reasonable change of position may not be separated or furloughed for more than 30 days, or subject to a greater reduction in pay than necessary under reasonable position change, if—

<sup>1</sup> See Section 2-4-2 of this Volume.

- (1) There exists a continuing position in the competitive service for which he is qualified incumbered by an employee in a lower subgroup in the same commuting area, or
- (2) If he is qualified to go back in the same competitive area to a position essentially similar to one from which he was promoted and which an employee of lower retention standing holds.

#### **Excepted Service**

An employee in the excepted service must be retained in his position and may not be furloughed for more than 30 days or reduced in grade or pay in a reduction in force as long as there is a competing employee with lower retention rights in the same competitive level.

#### **Reasonable Change in Position**

Any change of position will be considered reasonable if it is made without reduction in grade or pay, or if a reduction is necessary, at the least reduction possible under Civil Service Commission regulations. The OA need not, however, give an affected employee an option of the alternative changes possible, nor need the OA confine its offer to any particular commuting area. The refusal of a reasonable offer will require the separation of the employee.

#### **Furlough**

Employees may be furloughed for not more than one year from the date of notice instead of separated if it appears that the conditions causing the reduction in force are temporary and the recall of the employees contemplated. The notice will indicate the date of recall to duty, but should recall later become impossible, reduction in force procedures must be again instituted before the employee may be finally separated.

#### **Exceptions to RIF Procedure**

Whenever the OA finds that it is necessary to prevent undue interruption to a necessary activity by retaining an employee after a competing employee of higher retention standing has been reached, the employee adversely affected will be notified of the exception and his right of appeal to the Civil Service Commission. The notice will be prepared by the Personnel Branch.

#### **COMPETITIVE AREAS WITHIN HHFA**

Within the OA, the Federal National Mortgage Association has been approved by the Civil Service Commission as a separate competitive area. Thus positions in the Federal National Mortgage Association are not included in the same competitive level as other OA positions. However, employees who are not placed in their own competitive area may "bump" across competitive area lines into positions held by employees in lower retention subgroups. Thus, for example, a GS-4 Clerk-Stenographer who is a status employee in FNMA and for whom there is no placement at GS-4 in FNMA during a reduction in force, has a right to any continuing OA position at GS-4 or below for which she is qualified and which is held by an employee in a lower retention subgroup.

The Commission has also ruled that for RIF purposes there is no competition between the OA and the Federal Housing Administration, Public Housing Administration and the Home Loan Bank Board.

#### HOW REDUCTION IN FORCE ACTIONS ARE TAKEN

When the list of positions to be vacated is received by the Personnel Branch, reduction in force procedures are instituted to determine which employees must be separated, furloughed or offered placement in continuing positions at their same or lower grade. To illustrate this process there is a hypothetical case described below.

One of the positions on the list received by the Personnel Branch was that of Secretary GS-5, incumbered by Jane Smith, who was a Career-Conditional (Group II-A) because she was a status veteran and had been indefinitely promoted from GS-4 since September 1, 1950 (the date of the first Whitten Rider). She had 9 years of service and a "Satisfactory" performance rating so she had 9 retention credits. Miss Smith's competitive GS-5 Secretary level looked like this:

<i>Level</i>	<i>Subgroup</i>	<i>Name</i>	<i>Credits</i>
318 <sup>1</sup>	I-B	Jones, Sally	7
	II-A	Smith, Jane	9

Since Miss Smith is last in her competitive level she had to vacate the GS-5 Secretary position. The Personnel Branch, in trying to reassign her at the GS-5 level, found only one position incumbered by an employee in a lower subgroup is that of Accounting Clerk for which Miss Smith did not qualify.

Because Miss Smith's permanent position is GS-4, she is then considered to have been returned to this position (Clerk-Stenographer GS-4) as a Group I-A.

Here was the way the GS-4, Clerk-Stenographer level looked:

<i>Level</i>	<i>Subgroup</i>	<i>Name</i>	<i>Credits</i>
312	I-A	Jersey, Alice	19
		Rae, Mary	7
	II-B	White, Gloria	14
	III-B	Green, Doris	3

Miss Smith was offered the GS-4 position effective in 30 days, and Mrs. Green was given a 30 day separation notice.

#### RIF NOTICE

Each employee who is to be separated, furloughed or reduced in grade or pay will receive a written notice specifying the action and the

<sup>1</sup> An administrative code, based on the Position Classification Codes System, to identify the competitive level.

reasons for the action at least 30 days but not more than 90 days before the proposed effective date. Whenever possible employees affected will be retained in duty status, but if work load or budgetary conditions demand, employees may be placed in annual leave or non-pay status. Employees have a right to appeal time in non-pay status to the Civil Service Commission.

Whenever administratively feasible, first notice to the affected employee will be specific and will include any offer of RIF placement in another continuing position. If this is not possible, however, a general notice, which is a warning that reduction in force action will probably be necessary, may be issued. Such general notices must be followed by specific notices within the 30 days notice period. All notices will be prepared by the Personnel Branch.

If RIF placement offers are not accepted, or if a reply to such an offer is not received within the time limit specified on the offer, the reduction in force furlough or separation becomes effective automatically on the date indicated in the notice.

#### **REEMPLOYMENT PRIORITY LIST**

Career group and Career-Conditional employees (except those who have not completed their probational period) who have been separated in reduction in force have certain priority rights to be recalled to positions within their competitive area for which they are qualified. No appointment by transfer, or new appointment, except that of a 10 point preference eligible may be made to a position for which there is a qualified available person having such priority rights.

The list of such employees, called the Reemployment Priority List, is maintained in the Personnel Branch. Removal of names from this list is made under the following circumstances.

- (1) Permanent return to duty.
- (2) Decline of a position at the grade left in RIF.
- (3) Request of the employee.
- (4) Acceptance of a non-temporary position in another agency.
- (5) Expiration of priority rights after one year from the date of the reduction in force notice.

Exceptions to the priority recall rights may be made only to prevent undue interruption of work and are handled as exceptions to the order of selection in reduction in force. (See Reduction in Force Action above).

#### **APPEALS**

Any employee notified of proposed action in reduction in force who believes that Civil Service Regulations or the procedures in this Section have not been correctly applied in this case may appeal to the OA Director of Personnel within ten days of the receipt of the notice or supplementary notice of the proposed action. The appeal must be in writing and must specify the reasons the employee has for believing the proposed action to be improper. The Director of Personnel, or an ad hoc committee appointed by the Director, will consider the

appeal and reply in writing within seven days. The employee has ten days from the receipt of this reply from the Director of Personnel to make a written and specific appeal to the Civil Service Commission. OA appeal procedures must be followed before an appeal will be accepted by the Civil Service Commission.

The employee shall be notified in writing of the results of the appeal. If the appeal is denied, the employee may file a petition for review with the Civil Service Commission within ten days of the date of the denial. The Commission will hold a hearing and make a final determination.

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**Part 2. Personnel Administration****Chapter 4. Changes in Status and Separations****Section 2****MILITARY FURLOUGHS AND SEPARATIONS**

This Section establishes policies regarding the rights and privileges of Office of the Administrator employees called into the military service and the procedures necessary to process the personnel actions to effect military furloughs and separations.

**LEAVE FOR PHYSICAL EXAMINATION**

All employees called for physical examinations prior to entrance in extended active duty shall be placed on annual leave for the time required to take the examination. Even though the employee may be paid by the military for such time, the Comptroller General has ruled that dual compensation is not involved.

**PAYMENT FOR ANNUAL LEAVE**

Under present legislation, employees eligible for restoration rights (see below) may elect to receive a lump sum payment for their leave, or may elect to have it held to their credit until they return from duty in the armed services.

Employees not eligible for restoration rights must receive payment for annual leave in a lump sum.

**EMPLOYEE RESTORATION RIGHTS**

A permanent employee, upon his return from service, is eligible for restoration to the permanent position he left or to one of like seniority, status and pay. If the permanent employee has been temporarily reassigned or promoted since September 2, 1950, he must be considered for restoration to the position he last held, if it exists, before being restored to his permanent position. These employees will be placed on military furlough during their absence.

Permanent employees for this purpose are (1) those employees serving with permanent status having entered the Agency before September 2, 1950, (2) those who are serving in an unlimited excepted appointment, or (3) those who have received a probational appointment to the Agency under Civil Service Commission regulations. Other employees do not have a legal right to restoration following service in the armed forces. As a matter of policy, however, the Office of the Administrator will make every effort to re-employ such persons when they return from service. These employees, however, can not be carried in military furlough status and must be "separated" from the rolls on their last day of active duty.

**PROCESSING OF MILITARY FURLOUGHS AND SEPARATIONS**

In order that these rights and privileges may be fully protected, the employee who received induction or military orders calling him to active

duty should immediately inform his supervisor and see that the top administrative authority in his division receives a copy of such orders.

A member of the Personnel Branch will contact the employee to further explain his rights and to answer any questions.

Because of the time required in processing military furlough and separation actions, the administrative officer should submit a SF-52, *Request for Personnel Action*, as soon as possible after receiving a copy of an employee's induction or military orders. In addition to the standard requirements for filling out the SF-52, the following are special requirements for military furlough and separation actions:

- (1) A copy of the induction or military orders should be attached.
- (2) Even though the action may not be a *Resignation*, the last working day will be indicated in item 23.
- (3) Item 24, *Separation Data*, will be completed.
- (4) If the employee is eligible for restoration rights, the remarks column will carry one of the following statements signed by the employee: *I request that my accrued annual leave be held to my credit or I request that I be paid a lump sum payment for my accrued annual leave.*
- (5) Attach a job description when the employee is eligible for restoration rights and has not been promoted or temporarily reassigned since September 2, 1950. (In other cases no description is required). Both the employee and his superior are required to review the employee's present position description for correctness and currency.

If the job description to which the employee is assigned is current, the following statement will be placed on a copy of the description, signed by the supervisor and the employee, and attached to the SF-52: *This position description is substantially correct and current. (date).*

If the job description is not current, the duties and responsibilities of the position will be described on a SF-75 (Original and six). Signatures of the incumbent and supervisor will be obtained before forwarding with the SF-52 to the Personnel Branch.

Each employee will receive a copy of his position description with the journal copy (SF-50) of his furlough or separation action. Those employees eligible for restoration rights will receive a copy of the description of their last permanent position, while others will receive a copy of the description of their most recent position.

#### FILLING POSITIONS

If the position is to be filled when the employee leaves, a separate SF-52 must be submitted. If the request is prepared while the leaving employee is still on active duty the employee's name should be entered in the *Remarks* column of the new request.

**Section 3**

**CLEARANCE FOR FINAL SALARY PAYMENT**

When an employee is separated or placed on leave without pay for a period of 3 months or more, final salary payment must be withheld until the employee has accounted for property charged to him and has been cleared of official indebtedness.

**PREPARATION OF CLEARANCE FORM**

The administrative officer of each constituent unit, office, or division shall initiate the request for clearance on Form H-58, *Clearance for Final Salary Payment* (Exhibit A), at the time S.F. 52, *Request for Personnel Action*, is submitted to the Division of Personnel. Form H-58 shall be prepared in duplicate and signed by the administrative officer as the initiating official. One copy shall be retained by the initiating official.

**PROCESSING OF CLEARANCE FORM**

The original of Form H-58 shall be sent to the Division of General Services.

The Division of General Services shall check its records to assure that all property and other general services items charged to the employee are listed. Items not listed will be added to Form H-58. Form H-58 will be then signed by an authorized representative of the Division of General Services and sent to the Division of Finance and Accounts.

The Division of Finance and Accounts will check its records to assure that all items charged to the employee are listed. Items not listed will be added to Form H-58. Form H-58 will be signed by an authorized representative of the Division of Finance and Accounts and returned to the initiating official.

**FINAL CLEARANCE**

On the employee's last day of duty, the initiating official shall obtain all items listed on Form H-58 and ascertain that all official indebtedness has been settled and redelegations revoked. Ordinarily, settlement of indebtedness will be made through the initiating official; if this is not done, the initiating official should verify settlement with the Division of Finance and Accounts. If the employee has lost or is unable to account for any item of property or has not settled an indebtedness, these shall be noted as exceptions on Form H-58 with an explanation of the circumstances. If additional space is needed, the back of the form should be used.

The original Form H-58 shall be signed by the initiating official and sent to the Division of Finance and Accounts.

In signing the final clearance, the initiating official accepts responsibility for all tangible property items which he has acknowledged as having been returned by the employee. Tangible property items shall be returned to the responsible office or reassigned within the initiating office in accordance with administrative regulations.

EXHIBIT A

HOUSING AND HOME FINANCE AGENCY OFFICE OF THE ADMINISTRATOR	
CLEARANCE FOR FINAL SALARY PAYMENT	
REQUEST FOR CLEARANCE	
NAME OF EMPLOYEE	OFFICIAL STATION
DISPOSITION OF SALARY CHECK AND SAVINGS BONDS AND W-2 <input type="checkbox"/> WILL CALL AT OFFICE <input type="checkbox"/> PLEASE MAIL TO:	DIVISION AND BRANCH
	APPROXIMATE LAST DAY OF DUTY
It is requested that the employee be cleared for payment of final salary. He has indicated that he has the items checked below and will return them to this office prior to his last day of duty.	
_____ <i>Signature and Title of Initiating Official</i> <span style="float: right;"><i>Date</i></span>	
ACCOUNTABLE ITEMS OF RECORD - DIVISION OF GENERAL SERVICES	
<input type="checkbox"/> BUILDING PASS <input type="checkbox"/> MOTOR VEHICLE OPERATOR'S CARD <input type="checkbox"/> OTHER IDENTIFICATION CARDS <input type="checkbox"/> PARKING PERMIT <input type="checkbox"/> GAS AND OIL CREDIT CARD <input type="checkbox"/> INDIVIDUAL RESPONSIBILITY PROPERTY <input type="checkbox"/> BOOKS OR MANUALS <input type="checkbox"/> TAX EXEMPTION CERTIFICATES <input type="checkbox"/> BILLS OF LADING <input type="checkbox"/> OTHER	DESCRIPTION (Quantity, Titles, Serial Numbers, etc.)
The return of the items checked above will clear the employee from the records of this Division.	
_____ <i>Signature and Title of Authorized Representative</i> <span style="float: right;"><i>Date</i></span>	
ACCOUNTABLE ITEMS OF RECORD - DIVISION OF FINANCE AND ACCOUNTS	
<input type="checkbox"/> OVERDRAWN LEAVE <input type="checkbox"/> TRAVEL ADVANCE <input type="checkbox"/> U.S. GOV'T. TRANSPORTATION REQUESTS <input type="checkbox"/> GAO EXCEPTIONS <input type="checkbox"/> OTHER INDEBTEDNESS	DESCRIPTION (Quantity, Amount, Serial Numbers, etc.)
Settlement or return of the items checked above will clear the employee from the records of this Division.	
_____ <i>Signature and Title of Authorized Representative</i> <span style="float: right;"><i>Date</i></span>	
FINAL CLEARANCE	
All the above checked items have been returned, settled, or accounted for satisfactorily.	
<input type="checkbox"/> NO EXCEPTIONS <input type="checkbox"/> EXCEPTIONS NOTED BELOW	
_____ <i>Signature and Title of Initiating Official</i> <span style="float: right;"><i>Date</i></span>	

## **Section 4**

### **RETIREMENT**

This Section provides general information regarding benefits, rights and obligations of employees under the Civil Service Retirement Act. Specific questions should be referred to the Division of Personnel which provides counseling to employees and to candidates for employment and serve as a central point for the dissemination of retirement information.

#### **THE RETIREMENT FUND**

Basically, the Civil Service Retirement Fund is an accumulation of money held in trust by the Treasury Department for the purpose of paying annuities, refunds and death benefits to persons entitled to them under the Retirement Act. The fund consists of deductions from base salaries, matching contributions of the employing agencies, government appropriations, and interest earned on the first three sources through investment. The present rate of salary deduction is 6½%, although it has varied in the past. Except for indebtedness due the United States, including a claim for over-drawn leave, retirement fund payments are not subject to attachment, levy, garnishment or other legal process.

#### **COVERAGE AND MEMBERSHIP**

The Retirement Act automatically covers all employees except those specifically excluded by law or by the Civil Service Commission. Generally, OA employees are covered by the retirement system, except:

- (1) Employees serving under appointments limited to one year or less.
- (2) Part-time, when actually employed, or intermittent employees having no regular tour of duty.
- (3) Employees paid on a contract or fee basis.
- (4) Employees serving under temporary appointments pending establishment of registers, or pending final determination of eligibility for permanent appointment.
- (5) Employees serving under emergency indefinite appointments, not exceeding 5 years.

Under certain conditions, it is possible for an employee to be covered by the Retirement Act even though he serves in a position excluded

from the Act. These conditions are explained in the Federal Personnel Manual.

Although an employee is covered by the retirement system as soon as he enters in his first eligible Federal position, he does not achieve membership in the system until he has attained 5 years of creditable civilian service. Membership means eligibility for retirement benefits outlined in this Section.

#### **CREDITABLE SERVICE**

##### **Civilian**

Although almost all civilian service performed as an employee of the Federal Government and the District of Columbia government is creditable, its creditability may be checked by reference to the Federal Personnel Manual. Whenever service cannot be identified as clearly creditable, the Division of Personnel should be requested to make further study of the case.

##### **Military**

Generally, all periods of active service in any branch of the Armed Forces of the United States is creditable for retirement purposes. Military service may be counted toward the necessary 5 years of civilian service only if the employee is on military furlough from a Federal job. After final separation from civilian employment, military service is not creditable for retirement purposes.

Periods of military service performed after December 31, 1956, (except while on military leave with pay from a civilian position) are excluded in computing an annuity if, at the time of computation, the employee (or his survivor), based on his wages or self-employment income, is entitled to old age or survivors' social security benefits.

#### **DEPOSITS, REDEPOSITS AND VOLUNTARY CONTRIBUTIONS**

##### **Deposits**

Opportunity is afforded to employees to make deposits to the Retirement Fund to cover periods of creditable service since August 1, 1920, for which deductions, for any reason, were not made. Whether or not it is worthwhile to make a deposit depends on personal circumstances, the age at which retirement is expected, and the time elapsed since service for which the deposit is considered.

The Division of Personnel furnishes assistance to employees in calculating the benefits to be derived from making deposits or redeposits to the Retirement Fund. If it is decided to make a deposit for a period of service, the employee should complete Standard Form 2803, *Application for Service Credit*, and refer it to the Division of Personnel for forwarding to the Civil Service Commission.

**Redeposits**

Redeposits are payments to cover a period of creditable service for which the paid deductions have been withdrawn from the Retirement Fund. A redeposit, which consists of the amount withdrawn, plus the annually compounded interest, is made in the same manner as is described above under "Deposit."

Because no service credit is allowed for periods for which redeposits are due but not made, it is almost always in the best interest of the employee to make a redeposit.

**Voluntary Contributions**

Voluntary contributions to the retirement fund in multiples of \$25 are acceptable as long as an employee is in service if he has made all deposits and redeposits for prior service. Contributions may not exceed 10% of the aggregate basic pay received since August 1, 1920. Each \$100 in an employee's voluntary contributions account at the time of his retirement will provide additional yearly life annuity in the amount of \$7 plus 20 cents for each full year he is over age 55 at that time.

**RETIREMENT ELIGIBILITY****Optional Retirement**

An employee under the Act is eligible for optional retirement on an immediate annuity provided he has been employed under the Act for at least 1 year within the 2-year period immediately preceding the separation on which the annuity was based, and meets one of the following conditions: (1) attainment of age 62 and completion of 5 years of civilian service, or (2) attainment of age 60 and completion of 30 years of creditable service, including 5 years of civilian service, or (3) attainment of age 55 and completion of 30 years of creditable service, including 5 years of civilian service. In such case, the basic life annuity rate is reduced by one twelfth of 1 percent for each full month he is under age 60.

There is a special, more liberal optional retirement provision for employees whose duties involve primarily the investigation, apprehension or detention of persons suspected or convicted of offenses against Federal criminal laws. The Division of Personnel answers questions regarding this provision for any employee concerned.

**Age Retirement**

Retirement is mandatory when an employee meets all of the following minimum conditions:

- (1) He has attained age 70.
- (2) He has completed 15 years of creditable service, including five years of civilian service.

- (3) He has been employed under the Act for at least one year within the two-year period immediately preceding his separation.

The Division of Personnel notifies affected employees, in writing, at least sixty days in advance of the effective date of their separation.

#### **Disability Retirement**

An employee with 5 years of civilian service is eligible for disability retirement if he is physically or mentally unable to carry on his duties. While it need not be shown that the individual is disabled for work unrelated to his own vocation, the disability must not be temporary due to vicious habits, intemperance, or willful misconduct.

An employee retiring for disability is allowed a minimum basic annuity. The amount of this guaranteed minimum will not be smaller than the lesser of one of the following: (1) 40 percent of the employee's average salary, or (2) an annuity computed under the general formula after increasing his total service by the length of time elapsing between the date of separation and the date on which the employee would attain age 60.

If, before reaching age 60, a disability annuitant recovers, or is restored to earning capacity, his annuity payments will be continued temporarily to afford him an opportunity to seek reemployment. The annuity payments will be discontinued on whichever of the following dates is earliest: (1) the end of the day before reemployment by the Government, (2) the expiration of one year from the date of medical examination showing recovery, (3) the expiration of one year from the date of determination that his earning capacity is restored.

The Division of Personnel assists any employee making application for retirement, particularly in the case of disability. The employee shall be counselled as to the type of annuity best suited to his circumstances and as to the effect of any alternative avenues open to him. In certain cases the Agency may initiate the retirement for a disability request if an employee refuses to make voluntary application.

#### **Deferred Retirement**

An employee who is separated from the service for any reason, or transferred to a position in which he is not under the Act before meeting the requirements for an immediate annuity, is entitled to a deferred annuity after reaching age 62 if (1) he has completed at least 5 years of creditable civilian service, and (2) he has been employed under the Act for at least 1 year within the 2-year period immediately preceding his separation or transfer.

#### **Discontinued-Service Retirement**

Any employee involuntarily separated through no fault of his own is entitled to an immediate annuity if (1) he has been employed under the Act for at least 1 year within the 2-year period immediately preceding

the separation on which the annuity was based, and (2) he meets either of the following requirements:

- (1) Attainment of age 50 and completion of 20 years of creditable service, including 5 years of civilian service.
- (2) Regardless of age, if he has completed 25 years of creditable service, including 5 years of civilian service.

The basic life annuity is reduced by one twelfth of 1 percent for each full month the retiring employee is under age 60, (but not under age 55), and one sixth of 1 percent for each full month, if any, he is under age 55.

#### TYPE OF ANNUITIES

There are three types of annuities:

- (1) *The life annuity*—An annuity under which the retiring employee takes the full annuity for himself and makes no provision for a survivor annuitant to receive an annuity upon death. Any applicant can make this choice.
- (2) *The reduced annuity with benefit to the widow or widower*—An annuity under which the retiring employee takes a reduced annuity and provides upon death an annuity for the widow or widower. Any married applicant may select this type.
- (3) *The reduced annuity with benefit to a person having an insurable interest*—An annuity under which the retiring employee takes a reduced annuity and provides upon death an annuity for a person named. Any unmarried employee retiring for any other reason than disability may elect this option as long as he is in good health and the person named has an insurable interest in the employee.

#### DEATH BENEFITS—ELIGIBILITY

There are two types of benefits payable upon the death of an annuitant or employee:

- (1) The survivor annuity.
- (2) Lump-sum payment.

#### Survivor Annuity

A survivor's annuity is payable to a widow (or widower) and dependent children of a deceased employee who has completed 5 years of civilian service or of an annuitant drawing a reduced annuity. It may also be payable to a person having an insurable interest and who was named by an annuitant upon retirement. A widow must have been

married to the employee for two years immediately before his death or be the mother of his child born of the marriage. A widower must have been married to the employee for two years immediately before her death or be the father of a child born of the marriage. In addition, he must, at the time of the wife's death be incapable of self-support by reason of mental or physical disability; and have received more than one half his support from the employee.

Annuities to survivors begin on the day after the date on which the employee's death occurred. The survivor annuity to a widow (or widower) terminates on the last day of the month preceding the one in which she (or he) remarries, or dies, or in the case of a widower, becomes capable of self-support.

#### **Lump-Sum Payments**

A lump sum death benefit consists of the employee's lump sum credit in the Civil Service Retirement Fund. It is payable immediately upon an employee's death if the employee:

- (1) Has less than 5 years of civilian service; or
- (2) Leaves no widow (or widower) or children entitled to a survivor annuity.

A lump sum benefit is payable to the person or persons entitled under the following order of precedence:

First, to the beneficiary or beneficiaries designated by the employee or annuitant.

Second, if there is no designated beneficiary, to his widow (or her widower).

Third, if none of the above, to his child or children in equal shares, with the share of any deceased child distributed to the descendants of that child.

Fourth, if none of the above, to his parents or the survivors of them.

Fifth, if none of the above, to the executor or administrator of his estate.

Sixth, if none of the above, to his other next of kin who may be entitled under the laws of the state in which he was domiciled at the time of death.

#### **Designating a Beneficiary**

If an employee or annuitant wishes to designate a beneficiary, he should do so on Standard Form 2808 *Designation of Beneficiary*, and forward it, in duplicate, to the Division of Personnel or directly to the Civil Service Commission, Bureau of Retirement and Insurance, Washington 25, D.C.

The designation of beneficiary is for lump sum benefit purposes only, and will not affect the survivor annuity rights of anyone qualified to

receive these benefits. The person named on the Standard Form 2808 will receive only the lump sum payment, if and when due.

#### REFUNDS

A refund is a return to an employee of money to his credit in the Retirement Fund (deductions, deposits and interest) upon his separation from service or transfer to a position outside the Retirement Act.

Any employee who is separated from the service may leave his lump sum credit in the fund. However, if he has less than 5 years of creditable service he gains nothing from doing so, unless he contemplates returning to the government service.

If the employee has five or more years of government service he could receive a deferred annuity at age 62 by leaving the money in the Retirement Fund. In dollars received, the annuity, in most cases, is more valuable than the refund. Also, when the employee retires at age 62 he can elect a survivor type annuity and protect his widow (or widower).

If an employee does not apply for a refund at time of separation, it may be applied for at a later date provided that application is filed with the Civil Service Commission at least 31 days before the commencing date of annuity.

In the case of death, money left in the fund is payable as a lump sum death benefit.

#### APPEALS

An appeal from any action of the Bureau of Retirement and Insurance, Claims Division, Civil Service Commission, may be filed by a claimant or by his designated representative through the Bureau of Retirement and Insurance, U. S. Civil Service Commission, Washington 25, D. C. to the Board of Appeals and Review.

#### FILING OF RETIREMENT FORMS

Employees, or former employees who have been separated less than 30 days, desiring to retire, shall submit the following forms, as appropriate, together with necessary supporting papers, to the Division of Personnel for forwarding to the Civil Service Commission :

Standard Form 2801-*Retirement* (age, optional, disability, discontinued service, or deferred).

Standard Form 2801A and 2801B-*Disability Retirement*.

Standard Form 2802-*Refund of Retirement Deductions*.

Standard Form 2803-*Deposit or Redeposit to Cover Past Service*.

Other forms may be sent directly to the Civil Service Commission, Washington 25, D. C.

## **Section 5**

### **DETAILS**

This Section describes the procedures for the detail of employees within the Central Office. Procedures relative to agreements with another agency to furnish or obtain personal services by the detail of an employee or employees are covered in Section 1-6, this Volume.

#### **GENERAL**

A detail is a temporary assignment of an employee to a position other than his own without change in his civil service or pay status. It is an expedient device for meeting temporary shifts in workload and for making full use of employee skills.

In keeping with good business practices and applicable civil service regulations, details must be properly recorded and controlled. These arrangements will facilitate the performance of agency business, protect employee rights and prevent violation of principles of proper employee relations, personnel placement, and position classification.

#### **AUTHORITY TO MAKE DETAILS**

Details of personnel are approved and formalized by the Director of Personnel. Informal details for up to one month may be approved by a division head if both positions involved are under his supervision. Renewal or extension of details over 30 days must have the prior approval of the Director of Personnel.

#### **LIMITATIONS ON DETAILS**

##### **Security**

All details, regardless of length, must meet security standards if access to security information or assignment to a sensitive position is involved.

##### **New Employees**

Except for emergency details of 30 days or less, employees newly-selected from a register of eligibles may not, for the three months after appointment, be detailed to a position not appropriately filled from the register of eligibles.

##### **Details for Three Months or Less**

An employee may be detailed for a continuous period not exceeding three months within any period of 12 successive months even if he does not meet the regular civil service qualifications and length of service requirements. Details may be made to perform duties which have not been formalized into an allocated position.

Details within one organization of more than one month but not exceeding three months, and all details involving two major organizational units (divisions, regions, etc.) require the prior approval of the Director of Personnel as prescribed below. Proposed details will be

appraised by the Personnel Branch for administrative feasibility and desirability in comparison with other personnel action or assignment of another employee.

**Details of More Than Three Months**

A detail that will exceed three months during any successive 12 month period must be to an established current position for which the employee meets the civil service standards, including all length of service requirements.

If a detail will exceed six months in any consecutive 12 month period, prior approval must be obtained from the Civil Service Commission by the Director of Personnel. Ordinarily such long term personnel needs should not be met on a detail basis.

**Procedure**

The division head shall request prior approval of the Director of Personnel for details which the office head is not authorized by this Section to approve by submitting Standard Form 52, *Request For Personnel Action*, to the Personnel Branch.

If the detail will not exceed three months and is not to a classified position, a brief general description of the administrative need to be met and the duties to be performed must be given on the Standard Form 52.

If the detail is for more than three months, the Standard Form 52 shall be presented with a memorandum of justification. If such detail is to an unclassified position, there shall be attached Standard Form 75, *Position Description*, prepared as described in Section 2-2-2 of this Volume.

If the detail is for more than six months, Standard Form 58, *Experience and Qualification Sheet*, must be submitted with the documents required above.

Standard Form 52 shall be prepared and processed as prescribed in Section 2-1-6 of this Volume; all usual administrative clearances, including budgetary clearance are necessary. These will be obtained by the Personnel Branch.

## **Section 6**

### **NORMAL WITHIN-GRADE SALARY INCREASES**

This section sets forth the statutory requirements of Title VII of the Classification Act of 1949, as amended, and applicable policies and procedures for advancing the compensation of each OA, CFA and URA employee paid on a per annum basis who occupies a permanent position covered under the Classification Act and who has not attained the maximum rate of compensation for the grade in which his position is placed. Volume II, Section 3-2-9, states the Agency policies within which these policies and procedures will operate.

#### **SERVICE REQUIREMENTS**

In accordance with the provisions of the Federal Salary Reform Act of 1962, which amended Title VII of the Classification Act of 1949, as amended, each employee shall be advanced in compensation to the next higher within-grade rate (step) at the beginning of the pay period following completion of the following waiting periods:

- (1) each 52 calendar weeks of creditable service in salary rates (within-grade steps) 1, 2, and 3; or
- (2) each 104 calendar weeks of creditable service in salary rates (within-grade steps) 4, 5, and 6; or
- (3) each 156 calendar weeks of creditable service in salary rates (within-grade steps) 7, 8, and 9;

provided:

- (1) his work is of an acceptable level of competence as determined by the Administrator or his designee, and
- (2) he has received no equivalent increase in compensation from any cause during the waiting period.

Definitions of "creditable" and "non-creditable" service and "equivalent increase" may be secured from the Division of Personnel.

#### **Acceptable Level of Competence**

The term "acceptable level of competence" connotes a level of competence above the minimal level required for a "satisfactory" rating under the Performance Rating Act of 1950. The term is not, therefore, necessarily synonymous with a "satisfactory" rating; it is clearly above what constitutes sufficient competence to warrant job retention. An

employee's work is considered to be at an acceptable level of competence if he is making the kind of positive contribution to the operations of the Agency which truly warrants an increase in pay.

Where specific performance standards have been established for a position, these standards will generally serve as the basis for establishing an acceptable level of competence. Whether performance standards exist for a particular position or not, the determining official should consider, among other factors (and depending upon their appropriateness to the particular position), such characteristics as efficiency, initiative, flexibility, productivity, dependability, judgment, work relationships, and conduct. In any case, standards used in the evaluation should be reasonable and should not require a higher than ordinary standard of performance.

Adverse actions taken or pending against employees must be considered in determining levels of competence. Normally, adverse actions for reasons such as inefficiency, misconduct, or delinquency indicate that an employee's work is not at an acceptable level of competence. If a within-grade increase is withheld because of a proposed adverse action, and the action is subsequently resolved in the employee's favor, the increase shall be made effective as of the employee's Normal Eligible Date, provided it is determined that his work was at an acceptable level as defined above.

The determination as to level of competence must be made as of the completion of the waiting period. If an employee has recently entered on duty, or had a change in supervision at or near the time his level of competence must be determined, the determining official shall consult with the employee's previous supervisor, if feasible.

#### **RESPONSIBILITY OF SUPERVISORY STAFF**

Since within-grade increases are to be granted on the basis of an appraisal of the employee's performance, effective leadership by supervisors requires that they be continuously aware of their employees' performance, and that they take the proper steps to inform employees of this evaluation.

When an employee's work shows promise or is at an acceptable level, he should be so informed, for effective leadership involves encouragement as well as correction, and an employee's potential can be developed by the right kind of guidance.

At the moment that an employee's level of competence falls below an acceptable level, however, the supervisor has a special responsibility to counsel the employee, clearly identifying the areas of deficiency and the extent to which they must be corrected in order to merit a within-grade increase at the conclusion of the normal waiting period.

#### **DETERMINATION**

##### **Authorized Officials**

Persons heading organization units at the lowest organization echelon described or identified in Volume II, Policies and Procedures of the

Administrator<sup>1</sup> shall determine whether the work of employees within that unit is of an acceptable level of competence. The level of competence of persons heading these units shall be determined by their immediate supervisors. Throughout this manual section the officials described in this paragraph are referred to as "determining officials."

In cases where an initial determination is subject to reconsideration, the reconsideration and final determination shall be made by the official next in line of supervision over the official making the initial determination. Throughout this manual section, the officials described in this paragraph are referred to as "reviewing officials."

Where there is a vacancy in the position of any of the officials referred to above, or such officials are absent and there is no duly designated acting official, the official next in line of supervision over the vacant position or absent official shall make the initial or final determination, as appropriate.

#### **Recommendation of Immediate Supervisor**

Whenever the determining official is not the immediate supervisor (i.e., the person who, at rating time, is responsible for assignment and review of work, discipline, and first line guidance and instruction) of the employee being considered for the within-grade increase, the official shall consider, before making a determination, the recommendation of the employee's immediate supervisor.

#### **PROCEDURES**

##### **90-Day Advance Notice to Determining Officials**

At least 90 days prior to the end of an employee's waiting period, the Division of Finance and Accounts shall send a *90-Day Advance Notice*, Form H-837 (Exhibit A), to the appropriate administrative office for transmittal to the determining official, to advise him that a determination as to the employee's level of competence will have to be made as of the employee's Normal Eligible Date.

Upon receipt of the *90-Day Advance Notice* the determining official should, if he is not the employee's immediate supervisor, consult with the immediate supervisor with regard to the employee's work.

##### **Advance Notice of Unacceptable Level of Competence**

As soon as possible, but not later than 60 days before the Normal Eligible Date, the employee must be notified if his work is not at an acceptable level of competence. The employee must be notified orally by his immediate supervisor, and in writing by the determining official. If the determining official is the immediate supervisor, he shall give the employee both oral and written notification.

The notification must state clearly that unless the employee's work reaches an acceptable level of competence by the Normal Eligible Date,

<sup>1</sup> Part 1 (Sections 7, 8, and 9) describes units within the CFA, URA, and VHMCP. Part 2 (Chapters 1 and 2) describes units within the OA and HHFA Regional Offices.

his within-grade increase will be withheld. In addition the notification shall identify clearly the areas in which the employee's work is below an acceptable level, and the extent to which they must be corrected to merit a within-grade increase.

A copy of the written notification shall be submitted to the Director, Division of Personnel not later than the date it is issued to the employee.

#### **Determination**

Two weeks before the end of an employee's waiting period, the Division of Finance and Accounts shall forward two copies of the *Request For And Action On Determination*, Form H-838 (Exhibit B), to the appropriate administrative office for transmittal to the determining official. The determination shall be made, and two copies of the *Request For And Action On Determination* completed and returned to the Director, Division of Personnel so as to arrive no later than the Wednesday following the Normal Eligible Date. The Division of Personnel will review, authenticate, and forward one copy of the form to the Division of Finance and Accounts for payroll processing.

#### **Notice of Withholding of Within-Grade Salary Increase**

If an employee's within-grade increase is to be withheld because of his failure to achieve an acceptable level of competence, he must be so advised, in writing, by the determining official no later than the Normal Eligible Date. The notice must advise him of: (1) his deficiencies and the extent to which they must be corrected to merit an increase, (2) his right to request the Director, Division of Personnel to initiate a review of the determination, and (3) the name and title of the reviewing official (see Determination, Authorized Officials). In addition the notice must attach a copy of this manual section so that the employee may be informed of the policies and procedures under which the review shall be requested and conducted.

A copy of this denial notice must accompany Form H-838, *Request For and Action on Determination*, when it is returned to the Director, Division of Personnel.

#### **Request for Reconsideration**

An employee whose within-grade increase is being withheld may request without fear of restraint, interference, coercion, discrimination, or reprisal, that the determination as to his level of competence be reconsidered. Such request shall:

1. be submitted within 10 days of the date of the denial notice (the Director, Division of Personnel may extend more time if circumstances warrant);
2. be submitted in writing to the Director, Division of Personnel, in two copies;

3. state the basis on which the request is made, and whether the employee wishes to make an oral presentation to the reviewing official.

Upon receipt of the employee's request, the Director, Division of Personnel, shall transmit a copy of the request to the appropriate reviewing official, and furnish copies of the covering transmittal memorandum to the employee, the employee's immediate supervisor, and the determining official.

**Reconsideration**

The reviewing official shall conduct a fair, impartial, and objective appraisal of the case with full consideration of all of the policies and criteria set forth in the Agency policy statement and this issuance.

Formal hearing, grievance, or appeal procedures will not be used; however the employee, if he wishes, is entitled to make an oral presentation to the reviewing official.

The determination in the review and reconsideration shall be final, and shall be made within 30 days of the request.

The reviewing official shall notify the employee, in writing, of the decision, and shall forward two copies of the notification to the Director, Division of Personnel no later than the date it is submitted to the employee. The Director, Division of Personnel shall notify the determining official and the employee's immediate supervisor of the decision.

If the review and reconsideration results in a favorable determination, the reviewing official should advise the employee that such determination supersedes the earlier one, and the within-grade increase shall be granted retroactive to the Normal Eligible Date. If the review and reconsideration result in no change, the reviewing official should advise the employee that his performance will be continuously evaluated by his immediate supervisor.

**Further Review Following Denial**

Supervisors must make every effort to encourage employees who have been denied within-grade increases to bring their performance up to an acceptable level of competence. A further review of such an employee's performance shall be made by his immediate supervisor no later than 90 days after the effective date of the denial of the increase and the results of such review shall be discussed with him. The employee's performance shall be reviewed periodically thereafter.

At such time as it is determined that the employee is performing at an acceptable level of competence, the determining official shall submit to the Director, Division of Personnel a memorandum, in duplicate, so certifying. A copy of this memorandum must be given to the employee concerned.

If a favorable determination has not been made within 52 calendar weeks after the date the employee completed his waiting period, a new

determination *must* be made at this time, in writing, as to the level of his competence. Within 50 weeks of the Normal Eligible Date the Division of Finance and Accounts shall send the administrative office, for forwarding to the determining official, 2 copies of the *Request for and Action on Redetermination*, Form H-839 (see Exhibit C). A new determination shall be made and the results certified to the Director, Division of Personnel (2 copies). If the Redetermination results in further withholding of the within-grade increase, the procedural requirements of this manual section, under Notice of Withholding of Within Grade Increase, Request for Reconsideration, Reconsideration, and Further Review Following Denial shall be applicable. The procedures in this paragraph shall be followed after each succeeding determination of an unacceptable level of competence.

At such time as his work is determined to be of an acceptable level of competence the employee shall receive the withheld within-grade increase effective the beginning of the first pay period following the date of the new determination.

#### **Procedures Gaps and Non-Compliance**

An employee may not be given a within-grade increase until it has been determined that his work is at an acceptable level of competence, even though a determination has not been made as a result of failure to follow established procedure or incomplete procedural instructions.

When circumstances arise which are not covered by the procedures in this section, or when the procedures are not followed due to administrative oversight, error, or delay, the Director, Division of Personnel shall be promptly notified, and shall advise and/or take necessary action.

10/21/68

HHFA - OA

WITHIN-GRADE SALARY INCREASE  
90-DAY ADVANCE NOTICE

H-837  
(10-63)

Date: \_\_\_\_\_

Employee \_\_\_\_\_

Normal Eligible Date \_\_\_\_\_

The employee named above will meet the time requirements for a within-grade increase on the Normal Eligible Date indicated above. Before this increase may be effected, the appropriate determining official must indicate that the employee's performance is at an acceptable level of competence. This determination must be based on considered and objective judgments made by the determining official and the employee's supervisor that the employee is making the kind of positive contribution to the operations of the Agency which truly warrants an increase in pay. The term "acceptable level of competence" connotes a level of competence above the minimal level required for a "satisfactory" rating under the Performance Rating Act. The term is not, therefore, necessarily synonymous with a "satisfactory" rating; it is clearly above what constitutes sufficient competence to warrant job retention.

As soon as possible, but no later than 60 days before his Normal Eligible Date, the employee named above must be notified if his work is not at an acceptable level of competence. Upon receipt of this Advance Notice, you should, if you are not the employee's immediate supervisor, consult with the immediate supervisor on the employee's work. If it is not at an acceptable level of competence, the employee must be notified orally by his immediate supervisor and in writing by you (if you are his immediate supervisor you must give him both oral and written notice). The notification must state clearly that unless the employee's work reaches an acceptable level of competence by the Normal Eligible Date, his within-grade increase will be withheld. In addition the notification shall identify clearly the areas in which the employee's work is below an acceptable level, and the extent to which they must be corrected to merit an increase.

A copy of the written notification must be submitted to the Director, Division of Personnel (Central Office employee) or the Regional Director of Administration (Field employee) no later than the date it is issued to the employee.

Two weeks prior to the Normal Eligible Date for this employee's within-grade increase, forms for reporting his level of competence will be forwarded to you.

For further information regarding policies and procedures relating to Within-Grade Salary Increases, please consult the Administrative Practice Handbook, Part 2, Personnel Administration, the Director, Division of Personnel (Central Office employee), or the Regional Director of Administration (Field employee).

Normal Within-Grade Salary Increases

EXHIBIT A

2-46

EXHIBIT B

HHFA - 0A

WITHIN-GRADE SALARY INCREASE  
REQUEST FOR AND ACTION ON DETERMINATION

H-838  
(10-63)

Date: \_\_\_\_\_

Employee \_\_\_\_\_

Normal Eligible Date \_\_\_\_\_

The employee named above will meet the time requirements for a within-grade increase on the Normal Eligible Date indicated above. Before this increase may be effected, the appropriate determining official must indicate that the employee's performance is at an acceptable level of competence. This determination must be based on considered and objective judgments made by the determining official and the employee's supervisor that the employee is making the kind of positive contribution to the operation of the Agency which truly warrants an increase in pay. The term "acceptable level of competence" connotes a level of competence above the minimal level required for a "satisfactory" rating under the Performance Rating Act. The term is not, therefore, necessarily synonymous with a "satisfactory" rating; it is clearly above what constitutes sufficient competence to warrant job retention.

If this employee is making the kind of positive contribution to the operations of the Agency which truly warrants an increase in pay, his performance should be checked as acceptable in the space provided below. If his competence is not at this level, his performance should be indicated below as not at an acceptable level and the procedures on the reverse side of this form must be followed.

Two copies of this form must be completed and returned to the Director, Division of Personnel (Central Office employee) or the Regional Director of Administration (Field employee) so as to arrive no later than the Wednesday following the Normal Eligible Date.

For further information regarding policies and procedures relating to Within-Grade Salary Increases, please consult the Administrative Practice Handbook, Part 2, Personnel Administration, the Director, Division of Personnel (Central Office employee), or the Regional Director of Administration (Field employee).

- The above named employee is performing at an acceptable level of competence.
- The above named employee is *NOT* performing at an acceptable level of competence. A copy of the denial notice to the employee is attached.

Date \_\_\_\_\_ Signature \_\_\_\_\_ Title \_\_\_\_\_

For Personnel Use:  
Authenticated: Date \_\_\_\_\_ Signature \_\_\_\_\_

10/21/63

EXHIBIT B (Page 2)

**Withheld Increases**

If this employee's competence is not at an acceptable level he must be notified, in writing, of the determination no later than the beginning of the pay period in which the within-grade increase would have been effective. The notice must advise him of the areas of his deficiency and the extent to which they must be corrected to merit such an increase. It must also advise him of his right to request reconsideration of this determination, and his supervisor's responsibility for further review of his performance as set forth in the Administrative Practice Handbook. (Refer to the Handbook for a listing of the information which must be included and the procedures which must be followed in the preparation and presentation of a denial notice.)

EXHIBIT C

WITHIN-GRADE SALARY INCREASE  
REQUEST FOR AND ACTION ON REDETERMINATION

HHFA - 0A

H-839  
(10-63)

Date: \_\_\_\_\_

Employee \_\_\_\_\_

Normal Eligible Date \_\_\_\_\_

Fifty Weeks have elapsed since the above named employee met the time requirement for a within-grade salary increase which was withheld because his work was not at an acceptable level of competence.

Civil Service and Agency regulations require that a new determination be made, in writing, as to his level of competence within 52 weeks after his Normal Eligible Date. If this employee is now making the kind of positive contribution to the operations of the Agency which truly warrants an increase in pay, his performance should be checked as acceptable in the space provided below. If he is not, the space so indicating should be checked, and the procedures on the reverse side of this form must be followed.

Two copies of this form must be completed and returned to the Director, Division of Personnel (Central Office employee) or the Regional Director of Administration (Field employee) so as to arrive no later than \_\_\_\_\_.

For further information regarding policies and procedures relating to Within-Grade Salary Increases please consult the Administrative Practice Handbook, Part 2, Personnel Administration, the Director, Division of Personnel (Central Office employee), or the Regional Director of Administration (Field employee).

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The above named employee is now performing at an acceptable level of competence.

The above named employee's work has not reached an acceptable of competence as of this date. A copy of the denial notice to the employee is attached.

Date \_\_\_\_\_ Signature \_\_\_\_\_ Title \_\_\_\_\_

For Personnel Use:  
Authenticated: Date \_\_\_\_\_ Signature \_\_\_\_\_

10/21/63

EXHIBIT C (Page 2)

Withheld Increases

If this employee's work has not reached an acceptable level of competence he must be notified, in writing, of the determination no later than 52 weeks after his Normal Eligible Date. The notice must advise him of the areas of his deficiency and the extent to which they must be corrected to merit such an increase. It must also advise him of his right to request reconsideration of this determination, and his supervisor's responsibility for further review of his performance as set forth in the Administrative Practice Handbook. (Refer to the Handbook for a listing of the information which must be included and the procedures which must be followed in the preparation and presentation of a denial notice.)

## Section 7

### QUALITY WITHIN-GRADE SALARY INCREASES

The following procedures shall be used in initiating and taking action on nominations for faster-than-normal ("Quality") within-grade salary increases for employees whose performance of the most important functions of their position substantially and characteristically exceeds normal requirements so that, when viewed as a whole, the work performance is of a high degree of effectiveness.

It is important that before using these procedures, officials responsible for initiating and acting on nominations for quality increases familiarize themselves with the statutory and Agency requirements, eligibility criteria, and statement of supervisory responsibilities, described in Volume II, Section 3-2-10.

#### INITIATION

A nomination for a quality increase should be initiated at the level of supervision most familiar with the requirements of the position concerned, and thus best able to recognize employee performance which exceeds those requirements. Normally the initiator will be the employee's immediate supervisor.

A quality increase may not be granted in the case of an employee—

- (1) Who has not completed at least six months' service in the position and grade involved;
- (2) Whose impending (a) separation (b) extended LWOP (c) change in grade or (d) reassignment to duties substantially different from those currently assigned, is known to the initiator of the nomination or to management;
- (3) Whose regular within-grade salary increase is currently being withheld due to unacceptable level of competence; or
- (4) Against whom there is pending an adverse action (or an investigation) involving inefficiency, delinquency, or misconduct.

#### PREPARATION

A nomination for a quality increase shall consist of the following parts:

1. Form H-840, *Nomination For and Action on Performance Recognition* (Exhibit A) in an original and two copies with sections I and II completed and signed.

2. A written justification of the nomination in an original and one copy, containing as a minimum the following:
  - a. In itemized form, a brief, clear description of each of the most important functions of the employee's position;
  - b. In specific terms, itemized by function, a clear description of the manner and period involved in which the employee's performance of each of the most important functions of his position substantially exceeds normal requirements so that when viewed as a whole, his work performance is of a high degree of effectiveness;
  - c. A clarifying statement to support any nomination in which the last three months of the period of high quality performance
    - (1) included a period of on-the-job training, detail to another assignment, or any leave of absence, totalling individually or in aggregate in excess of 120 hours, or
    - (2) immediately followed approval of a previously withheld regular within-grade salary increase, or immediately followed a demotion; and
  - d. A certification by the nominating supervisor that he believes, on the basis of past experience, the employee's high quality performance in the same line of work at no change in grade is likely to continue in the foreseeable future.
3. One copy of the employee's official position description.

The original copies of Form H-840 and the justification and the copy of the position description shall be attached together as the original of the nomination; a copy of Form H-840 and the remaining copy of the justification shall be attached together as the first copy of the nomination; and the remaining copy of Form H-840 shall be the second copy of the nomination.

#### **SUBMISSION AND APPROVAL**

The original and two copies of the nomination shall be submitted to the appropriate commissioner, office head or equivalent, through supervisory channels, for written concurrence (Section III of Form H-840) and forwarding to the Executive Secretary of the Incentive Awards Committee.

The Executive Secretary shall review the nomination to assure correctness of information and compliance with the requirements spelled out above under Initiation and in Section 3-2-10 of Volume II. The Incentive Awards Committee shall then review and consider the nomination and make a recommendation for approval or disapproval. The Chairman of the Committee shall indicate the recommendation of the Committee in the space provided on form H-840 and forward the nomination to the Administrator, through the Director of Personnel, or to

the Director of Personnel for approval. The Administrator is responsible for approving or disapproving all quality increases being granted to employees in grades GS-13 and above; the Director of Personnel is responsible for approving or disapproving all quality increases being granted to employees in grades GS-12 and below.

#### **ACTION FOLLOWING APPROVAL**

Upon approval of a nomination for quality increase, the Executive Secretary of the Incentive Awards Committee shall make the following distribution of the copies of the approved nomination: the original shall be retained in the files of the Committee; the first copy shall be forwarded to the employee through the initiating supervisor; and the second copy shall be forwarded to the Division of Finance and Accounts.

Upon receipt of its copy of the approved nomination, the Division of Finance and Accounts shall process and make normal distribution of Standard Form 1126, *Payroll Change Slip*. In recording the employee's eligibility date for his next normal within-grade salary increase (if applicable), the time served in the previous rate is creditable toward completion of the waiting period in the new rate in which the employee is placed as a result of receiving the quality increase.

Nominations which are disapproved shall be returned to the initiating supervisor, through the concurring official, by the Executive Secretary of the Committee.

#### **EFFECTIVE DATE**

All quality increases shall be effective on the first day of the first pay period following approval. In keeping with the purpose of quality within-grade increases, the Incentive Awards Committee will as a general rule act on a nomination promptly, so that approved nominations will become effective no later than one full pay period following receipt of the nomination by the Executive Secretary of the Committee.

#### **ANNUAL NOTIFICATION TO EMPLOYEES**

Not later than June 30 of each year all employees shall be notified of the number of quality increases granted during the preceding twelve month period.



## **Section 1**

### **PERFORMANCE RATING PLAN**

#### **OBJECTIVES AND COVERAGE**

This Section prescribes the Performance Rating Plan established for Central Office employees under the authority of the Performance Rating Act of 1950. The Plan, approved by the Civil Service Commission, provides a means by which:

- (1) Performance requirements are made known to all employees.
- (2) Performance is appraised in relation to such requirements.
- (3) Appraisals are used to improve the effectiveness of employee performance.
- (4) Employee-supervisor relationships are strengthened through better mutual understanding of work requirements.
- (5) Each employee is kept currently advised of his performance and promptly notified of his performance rating.
- (6) Additional training needs are identified.
- (7) Supervisors are provided with a guide for recommending personnel actions.

#### **RESPONSIBILITY FOR ADMINISTRATION OF THE PLAN**

The Division of Personnel shall (1) provide staff services required by this plan, (2) advise the Administrator of the effectiveness of the operation of the plan, and (3) develop instructions, procedures, and records, or other documents necessary to the proper operation of the Performance Rating Plan.

Division heads, heads of constituent units, and supervisory employees are responsible for application of the plan within their respective areas.

#### **BASIS FOR RATINGS**

Performance ratings shall be based on the evaluation of the manner in which employee performance has measured up to known requirements of the employee's actual duties. Performance requirements shall be discussed with the employee at such times as are necessary to keep him informed of the current requirements of his job. Ratings may not be based on any work requirement which is not known to the employee or which the employee has not had a fair chance to meet.

**KINDS OF RATINGS**

Each employee will be assigned one of the following ratings annually :

*Satisfactory*: Work performance is considered *Satisfactory* when an employee meets the requirements of the essential duties of his position, but does not achieve outstanding performance in all phases of his work.

*Outstanding*: Work performance is considered *Outstanding* when an employee performs each and every one of his duties in a manner that not only exceeds normal requirements, but is outstanding and deserving of special commendation. It is not enough to perform some of the duties or the most important duties in an outstanding way. It is necessary that all aspects of performance be done in such an outstanding way as to merit special commendation.

*Unsatisfactory*: Work performance is considered *Unsatisfactory* when an employee has failed to bring his performance up to acceptable standards after a 90-day prior notice of such inadequacy.

An entrance rating of *Satisfactory* shall be assigned to each employee upon entrance on duty or upon position change. For this purpose, a position change is defined as a change in grade or type of work.

**RESPONSIBILITY FOR RATINGS**

Each employee will be rated by his immediate supervisor, i.e., by the person who at rating time is responsible for his work assignments, discipline, and first-line guidance and instruction. Where an employee's supervisor has changed within 90 days before rating time, the new supervisor shall, if feasible, consult with previous supervisors as well as the employee before completing the rating.

*Outstanding* and *Unsatisfactory* ratings within a division or similar level organization shall be reviewed, together with the required supporting documents, by the head of such organization or his designee prior to referral to the Division of Personnel. If the office head is not in agreement with the rating, he shall give his reasons in a memorandum to be forwarded with the rating. If he is in agreement he shall initial the upper left hand corner of the rating form.

**SPECIFIC RESPONSIBILITIES OF RATERS**

Each supervisor is responsible for the following activities in applying the performance rating plan :

Through discussion, advising each employee of the detailed duties and responsibilities of his position and of the specific performance requirements of that position in terms of quantity, quality, or timeliness of production, or other appropriate factors.

Discussing with each employee his job performance and the adequacy of that performance in relation to the requirements of his position.

Developing, in conjunction with each employee, a written statement of performance requirements for each position when scheduled and required by the O.A.

Reviewing the duties and responsibilities of the positions occupied by employees under his supervision and taking appropriate action for keeping them current.

Preparing Forms H-117 and H-117A, *Notice to Employee of Performance Rating* (Exhibit A), for each employee.

For each *Outstanding* rating recommended, preparing a written justification, in triplicate, in the format illustrated in Exhibit B, including the following: (1) An analysis of the way in which actual performance exceeds normal requirements with respect to each major duty assigned to the employee. (2) A summary of the employee's overall performance and reasons why it is outstanding and deserving of special commendation. (3) A copy of the employee's current position description.

Preparing and delivering to employees whose work performance warrants an *Unsatisfactory* rating, an advance written notice that such a rating will be forthcoming unless performance is improved before the rating date. Such a notice must be delivered at least 90 days prior to the rating date and must specifically detail the employee's performance deficiencies, what he must do in order to bring his performance up to a satisfactory level, and what efforts his supervisor will make in order to help him. A copy of this notice shall be forwarded to the Director of Personnel.

In case of an *Unsatisfactory* rating, preparing a statement, in duplicate, specifying the facts of the prior warning, the basis for the rating, and describing the efforts made to help the employee improve his performance during the warning period.

#### **RATING PROCEDURE**

Forms H-117 and H-117A may be requisitioned through regular administrative channels, and shall be supplied to all supervisors on or about March 1, annually. The rating period will be from April 1 to March 31 of the following year.

Each supervisor shall complete his ratings by April 10, except in the following instances: (1) where an employee has not served 90 days in the position for which his performance is being rated, or (2) where the supervisor has changed within 90 days before the rating time. In such cases, ratings may be delayed for the length of time necessary to give the supervisor fully 90 days to evaluate the employee's performance.

Form H-117 shall be given directly to the employee and Form H-117A forwarded to the Director of Personnel, except in cases of *Outstanding* or *Unsatisfactory* ratings. In such cases, both Forms H-117 and H-117A, together with the required supporting documents, shall be forwarded to the reviewing official within the constituent unit, division or office,

who shall forward them to the Division of Personnel after review and comment or approval.

If the warning notice for an *Unsatisfactory* performance was not issued in time to allow the 90-day advance notice period, the rating must be postponed.

Recommendations for *Outstanding* performance ratings are forwarded by the Division of Personnel to the Incentive Awards Committee for consideration. The Committee shall make certain that written statements are true and factual and that all aspects of performance not only exceed normal requirements but are outstanding and deserve special commendation. If the Committee determines that an *Outstanding* rating is warranted, it has authority to approve such ratings for employees under the General Schedule below grade GS-13, and for all wage board employees.

Recommendations for *Outstanding* ratings for employees in grades GS-13 and above are reviewed by the Committee and forwarded with appropriate recommendations to the Administrator for final action.

The criteria for *Outstanding* ratings require that all aspects of performance be outstanding, whereas, the criteria for *Sustained Superior Service* awards granted under the Incentive Awards Program state that: "performance should exceed most, but not necessarily all, of the requirements of the position while meeting normal standards in other aspects." Moreover, a minimum of one year in the position for which the employee is being rated is required in the case of *Outstanding* ratings, but only six months in the case of *Sustained Superior Service* awards.

Since the criteria for *Outstanding* ratings exceed those for *Sustained Superior Service*, recipients of *Outstanding* ratings are automatically considered for cash awards under the Incentive Awards Program. The cash award table is contained in Section 2-5-2.

A recommendation for an *Outstanding* rating which does not meet the necessary criteria under the Performance Rating Plan will be considered for an award under the Incentive Awards Program, if this action is concurred in by the supervisor and the reviewing official.

Notices of *Outstanding* ratings are approved or changed to *Satisfactory* and become official when they are returned to the Division of Personnel for distribution. The ribbon copy of the justification for the rating, if approved, is filed in the employee's Personnel Folder; the second copy is forwarded to the employee for his information; and the third copy is filed in the Division of Personnel performance rating file.

Recommendations for *Unsatisfactory* ratings are forwarded by the Director of Personnel to an ad hoc committee which he appoints to consider such ratings under criteria which will assure full consideration of all the pertinent facts involved. The ad hoc committee will either change the proposed rating to *Satisfactory* or confirm the recommendation of the supervisor. Such ratings will become official when returned to the Division of Personnel for distribution.

**REVIEWS AND APPEALS****Board of Review**

The Performance Rating Act provides for the establishment of boards of review for the purpose of considering and passing on performance rating appeals. These boards of review are composed of three members, each with an alternate. With the approval of the Civil Service Commission, one such board has been established to serve the OA and constituent units. It is located in Washington and handles both departmental and field appeals. It consists of one member, the Chairman of the board, designated by the Civil Service Commission, a second member, designated by the Administrator, and the third member, an OA employee, designated by the appellant. Although it is the privilege of the appellant to designate the third member of the board of review, this member is not the personal representative of the appellant.

**Employee's Rights**

An employee who receives an *Unsatisfactory* rating may (1) request an impartial review of this rating by the Director of Personnel,<sup>1</sup> (2) appeal directly to the board of review, or (3) appeal to the board of review after obtaining the impartial review.

An employee receiving a *Satisfactory* rating may appeal either to the Director of Personnel for impartial review of the rating or to the board of review, but he may not appeal to both.

An appeal to the board of review shall be submitted in quadruplicate, preferably on Optional Form 6, and may be addressed through the Director of Personnel. An appellant desiring to address his appeal directly to the board of review should send it to: Chairman, Board of Review, care of the Civil Service Commission, Washington, D. C. The appeal must include the name of the employee designated by the appellant to serve on the board of review. An appellant is also entitled to have an individual of his own choice appear with or for him at the proceedings before the board of review. The appellant shall advise the board of review, in writing of the name of the person, if any, so designated.

A request for an impartial review by the Director of Personnel shall be made in writing within 30 days after the employee's receipt of Form H-117.

An appeal to the board of review shall be made in writing within 30 days of the employee's receipt of: (1) Form H-117, or (2) a decision from the Director of Personnel on the impartial review of his rating. If the employee withdraws his request for an impartial review by the Director of Personnel after 30 days have elapsed since he received notice of his rating, he may have an additional ten days in which to appeal to the board of review. Time limits may be waived for good and sufficient reasons.

<sup>1</sup> This review will be made by an official selected by the Assistant Administrator (Administration) when the review is requested by an employee of the Division of Personnel.

**PERSONNEL ACTIONS BASED ON RATINGS****Unsatisfactory Ratings**

An employee who is officially rated as *Unsatisfactory* shall not remain in the position in which his service was deemed unsatisfactory. He shall be reassigned, demoted, or separated from the service, depending on the circumstances involved in each such case. If an employee is demoted, he shall receive a salary lower than that last received in the position in which he was rated *Unsatisfactory*.

The rights of employees under the Veterans Preference Act of 1944 and the regulations of the Civil Service Commission shall be observed in the handling of demotions or separations resulting from *Unsatisfactory* ratings.

**Reassignments and Promotions**

Performance ratings shall be taken into consideration in filling positions by reassignment or promotion. The continuing appraisal of employee performance should give supervisors greater appreciation of employee potentialities and interests and result in more complete utilization of their abilities and skills.

**Reductions in Force**

Performance ratings shall be recognized in reductions in force as provided by the regulations of the Civil Service Commission and the policies of the Agency.

**Within-Grade Salary Increases**

Wage Board employees receiving Satisfactory and Outstanding ratings are entitled to within-grade salary increases as they become eligible for them.

EXHIBIT A

Employee's Copy		H-117 (2-61)
<p>HOUSING AND HOME FINANCE AGENCY OFFICE OF THE ADMINISTRATOR</p> <p>NOTICE TO EMPLOYEE OF PERFORMANCE RATING</p>	NAME	
	TITLE AND GRADE	
	ORGANIZATION	
	RATING PERIOD	
<p>In accordance with the requirements of the Performance Rating Plan of the Office of the Administrator and the Performance Rating Act of 1950, you have been assigned a rating of:</p> <p style="text-align: center;"><input type="checkbox"/> Outstanding    <input type="checkbox"/> Satisfactory    <input type="checkbox"/> Unsatisfactory</p> <p style="text-align: center;">_____</p> <p style="text-align: center;"><i>(Supervisor-Rater)</i></p>		

## EXHIBIT A (Page 2)

## DEFINITIONS OF RATINGS:

**SATISFACTORY:** Work performance is considered *Satisfactory* when an employee meets the requirements of the essential duties of his position, but does not achieve outstanding performance in all phases of his work.

**OUTSTANDING:** Work performance is considered *Outstanding* when an employee performs each and every one of his duties in a manner that not only exceeds normal requirements, but is outstanding and deserving of special commendation. It is not enough to perform some of the duties or the most important duties in an outstanding way. It is necessary that all aspects of performance be done in such an outstanding way as to merit special commendation.

**UNSATISFACTORY:** Work performance is considered *Unsatisfactory* when an employee has failed to bring his performance up to acceptable standards after receiving a 90-day prior notice of such inadequacy.

## REVIEW AND APPEALS RIGHTS:

An employee receiving a *satisfactory* rating may (1) request an impartial review of his rating by the Director of Personnel or (2) appeal to the Board of Review, but not both.

An employee receiving an *unsatisfactory* rating may (1) request an impartial review of his rating by the Director of Personnel, (2) appeal directly to the Board of Review, or (3) appeal to the Board of Review after obtaining the impartial review by the Director of Personnel.

An appeal to the Board of Review may be addressed through the Director of Personnel or directly to the Chairman, Board of Review, care of the Civil Service Commission, Washington, D. C.

See Section 2-5-1, Performance Rating Plan, of HHPA Manual, Volume III (Central Office) or Volume V (Field Service), for further information.



EXHIBIT B

H-96(3-62)

UNITED STATES GOVERNMENT

HOUSING AND HOME FINANCE AGENCY

Memorandum

TO : Director of Personnel
Attention: Incentive Awards Committee

DATE:

FROM : Supervisor, Mail and Files Section

SUBJECT: Outstanding Performance Rating

A performance rating of Outstanding is recommended for Mr. Richard Roe, Mail Supervisor, grade GS 5, who has been in his present grade and position since January 24, 1957. The following analysis of Mr. Roe's performance is submitted:

Normal Requirements

Actual Performance

1. DUTY: Supervises and directs receipt, distribution, and dispatch of communications to serve the administrative requirements of the organizational structure. handle workload

During the past year the communications workload has tripled resulting in a correspondingly heavy responsibility for the Mail Supervisor. The pace of the work has been accelerated and to handle more

2. Maintains contacts with Agency employees, Post Office Department, State Department, GSA, and ensure reliable trans-

The incumbent's contacts with counterparts in other agencies are extremely valuable. They are on a personal basis and make it possible for him to get and assistance

6. Compiles daily, bi-weekly, and monthly reports on operations of the Mail Unit.

men to do the Reports are maintained properly and submitted promptly and adequate records maintained. The incumbent knows the status of his activities at all times.

SUMMARY:

The Mail Supervisor has a difficult schedule to maintain made doubly so with all of the rush specials which cannot wait for scheduled runs. The incumbent's ability, promptness, and accurate handling of the system is essential to capable management. Mail and me

and has cons... his performance. Proper recognition should be given for his outstanding ability. I might also add that he contributed significantly to ease of operation during the almost complete change of Agency officials caused by change in Administration.

Supervisory Management Analyst

Director, Records Management Branch

## **Section 2**

### **INCENTIVE AWARDS PROGRAM**

The HHFA Incentive Awards Program is established as part of the Government Employee's Incentive Awards Program under authority of Title III of Public Law 763, 83rd Congress, and in accordance with Civil Service instructions as defined in Chapter 451 and Supplement 990-1 of the Federal Personnel Manual.

#### **POLICY**

The Agency recognizes and rewards employees who, either individually or in groups, by their suggestions, inventions or superior performance, contribute efficiency, economy, or other improvements in Government operations, or who perform special acts or services in the public interest in connection with or related to their official employment.

If subsequent to making his contribution, an employee resigns or transfers from the HHFA he may still be entitled to an award. If the employee dies prior to the authorization of an award to which he is entitled, the award will be made posthumously.

#### **RESPONSIBILITY FOR INCENTIVE AWARDS PROGRAM**

The Administrator shall have specific responsibility for the operation of the Incentive Awards Program within the Office of the Administrator, the Urban Renewal Administration, and the Community Facilities Administration.

The Assistant Administrator (Administration) shall be responsible to the Administrator for the general supervision of the Incentive Awards Program in the Office of the Administrator, the Urban Renewal Administration, and the Community Facilities Administration.

#### **Incentive Awards Committee**

The Committee shall consist of nine members, eight of whom, including the chairman, are appointed by the Assistant Administrator (Administration); three of these members are selected from employees of the Community Facilities Administration, three from employees of the Urban Renewal Administration, and two from the Office of the Administrator. The Director of Personnel or his representative is the ninth member of the Committee. Members are appointed for three calendar-year terms on a staggered basis, so that three new members are appointed each year. An Executive Secretary shall be designated by the Director of Personnel.

The Incentive Awards Committee has the following functions:

- (1) To refer employees' suggestions received to the Management Analysis and Procedures Branch for appraisal, and to review appraisals submitted by this Branch.
- (2) To consider and to take appropriate action on nominations for the payment of awards.
- (3) To determine the type of award in the case of each approved contribution.
- (4) To promote understanding of the purpose and objectives of management improvement activities and to stimulate employee participation in them.
- (5) To review awards approved in regional offices for possible applicability in other regions.
- (6) To consider recommendations for Outstanding Performance Ratings and Quality Within-Grade Increases and to make certain that written statements are true and factual and that the justifications measure up to the required standards.
- (7) To fix the priority rights of a contributor whose suggestion was not adopted, but which was substantially similar to one which was subsequently determined to be eligible for an award.
- (8) To refer to the General Counsel for an opinion all ideas which may be patentable or in which the government or the individual may have commercial or property rights.

The Chairman, Incentive Awards Committee, is authorized to grant cash awards in amounts not exceeding \$400 each for suggestions and for superior service (including sustained superior service and special acts or service) when such efforts benefit or affect the central or field offices of the Office of the Administrator, the Community Facilities Administration, the Urban Renewal Administration, or the HHFA Regional offices.

#### **Division of Personnel**

The Division of Personnel is responsible for the central administrative direction and review of the Incentive Awards Program. In this regard, it shall:

- (1) Enlist the support and cooperation of supervisors at all levels in the program, and encourage them in using the program to improve operations in their own units.
- (2) Insure the objective treatment of all suggestions, both from the standpoint of the employee and the Agency.
- (3) Promote maximum employee interest and participation in the program at all levels.

- (4) By means of effective publicity, insure that every employee understands the program, and emphasize the need for ideas that have dollar savings.
- (5) Insure adequate documentation in support of the action taken on each suggestion.
- (6) Submit to the Civil Service Commission required reports on the operations of the Agency's program.
- (7) Render guidance to the Incentive Awards Committee on questions of entitlement to awards or on any other questions or problems which may arise in connection with the administration of this program.
- (8) Supply staff assistance to the Incentive Awards Committee and, as appropriate, work with and through that committee in discharging its responsibilities.
- (9) Encourage the appointment of imaginative and enthusiastic individuals to the Incentive Awards Committee.

#### **Supervisor**

Supervisors at all levels have primary responsibility for making the most effective use of the Incentive Awards Program. This responsibility not only includes personal day-to-day support of the program but also involves advising employees in what areas solutions to problems are being sought. It requires a complete knowledge of the types of available awards, their criteria, and the procedures for applying for them. Supervisors, by example and instruction, shall encourage employees to participate actively in improving operations in their own units, to be cost-conscious and improvement-minded. When necessary, they shall render assistance to employees in preparing suggestions. They shall also conduct periodic reviews of each employee's performance to assure that proper consideration is given to those individuals qualifying for Superior Service Awards.

#### **AGENCY AWARDS**

Awards granted within the Agency by which employees are recognized for their achievements are classified in four main categories: (1) Distinguished Service Award, (2) Superior Service Award, (3) Employee Suggestion Award, and (4) Length of Service Award.

Awards for Outstanding Performance are handled under procedures outlined in Section 2-5-1, Performance Rating Plan. Recipients of Outstanding Performance Ratings are automatically considered for Superior Service Awards.

#### **Distinguished Service Award**

The Distinguished Service Award is the Agency's highest award. It is conferred by the Administrator once each year upon a limited

number of employees who have made the greatest contributions to the operation of the Agency. This award may be granted in recognition of the same employee contribution for which a cash or honorary award has been previously granted. The Administrator, Deputy Administrator, or a designated representative (for the OA central and regional office staffs) and the Commissioners of URA and CFA may each nominate not more than three employees a year for this award. Nominations shall be submitted by August 31 of each year, through the Director of Personnel to an ad hoc selection committee appointed by the Administrator.

#### **Superior Service Award**

This award may be granted for any type of service or performance which merits special recognition, and consists of an honorary award certificate, accompanied ordinarily with cash. It must be initiated by a supervisor of the employee who made the contribution. Superior Service Awards fall into two categories: (a) Sustained Superior Service, and (b) Special Act or Service.

#### **Sustained Superior Service**

Sustained Superior Service may be defined as the discharge of regular duties which so substantially exceeds normal performance requirements, extending over a period of at least six months, as to merit special recognition.

It is emphasized that this type of contribution is characterized by the high level performance of duties over a long period of time. To meet the standard for an award, performance should exceed most, but not necessarily all, of the requirements of the position, while meeting normal standards in other aspects. The extent to which performance must exceed requirements in most aspects to merit an award often cannot be established with precision. This is especially true in those areas of performance which are not subject to exact measurement in terms of quantity and quality. Supervisors need to exercise considered judgment in making evaluations and recommendations in such cases.

The following kinds of contributions, while not all-inclusive, are typical of Sustained Superior Service for which an award may be considered:

- (1) Normal production or accuracy standards are substantially surpassed while satisfactory performance in other job requirements is maintained.
- (2) Superior quality results are attained while normal standards of quantity are satisfactorily met.
- (3) A noticeable increase in production occurs through continuous improvement of procedures, systems, or methods, as the result of the employee's contributions.

- (4) Outstanding success is achieved by a supervisor in motivating the interest and participation of employees in the Incentive Awards Program.
- (5) The work of the organizational unit, or of a part of the unit, is processed in an outstanding manner as the result of the employee's contribution.
- (6) High morale is maintained in unusually adverse circumstances as the result of the employee's contribution.

The written justification for an award based on Sustained Superior Service shall follow the general format prescribed for recommendations for Outstanding Performance Ratings (see Exhibit B, Section 2-5-1, Performance Rating Plan). In the left column shall be listed those job requirements which the employee performs in a manner exceeding normal performance requirements; items in the right column shall document in detail, including illustrative examples of accomplishment, the way in which such job requirements are performed in a manner exceeding normal requirements. It is important that such justification be as clear, specific, and detailed as is possible. The statement must be more than a certification by the supervisor of superior performance.

These written justifications shall be accompanied by a copy of the employee's position description, and by a completed copy of Form H-840, *Recommendation for Performance Recognition*. Nominations shall be submitted in duplicate through the Commissioners of constituent units or major office heads to the Incentive Awards Committee, Attention: Executive Secretary. If approved, one copy of the nomination will be placed in the employee's personnel file.

Award Scale

The amounts of cash awards paid for Sustained Superior Service based on intangible benefits shall be established on the basis of the following table:

<i>Grade of Employee</i>	<i>Maximum Amount of Award</i>
GS-1 through GS-8	\$200
GS-9 through GS-12	\$350
GS-13 and up	\$500

**Special Act or Service**

Special Act or Service may be defined as a nonrecurring, specially meritorious contribution, achievement, service or performance of an assignment. It may be, for example, a specific assignment performed in connection with a special program or activity during an emergency, or it may be characterized by creative effort important to operations, research, or administration. This type of single accomplishment or service contrasts with that of the Sustained Superior Service type of contribution which reflects exceptional performance over an extended period of time.

Typical, but not all-inclusive, of this type of contribution are :

- (1) Performance which has involved the overcoming of unusual operating difficulties.
- (2) Original development or improvement in methods, organization, procedures, or products which result in substantial benefits or savings to the Government.
- (3) Exemplary or courageous handling of an emergency situation, not necessarily related to official duties.
- (4) Initiative and creative efforts which make important contributions to the Agency's programs, such as distinguished authorship.

The written justification for an award based on a Special Act or Service shall explain in detail, giving illustrative examples, the manner in which the employee performed the service or achievement for which he is being cited, and shall indicate clearly why such service merits special recognition. Nominations shall be accompanied by a completed copy of Form H-840, *Recommendation for Performance Recognition*, and shall be submitted in duplicate through the Commissioners of constituent units or major office heads to the Incentive Awards Committee, Attention: Executive Secretary. If approved, one copy of the nomination will be placed in the employee's personnel file.

When a contribution has been made by more than one employee or by a group of employees, all who have contributed, including supervisors, may share equally or proportionately in awards. The total amount of the award shall be the amount authorized for that type of award if made to an individual. However, where individual shares of such group cash awards appear inappropriate, the Committee may deviate from the scale.

The amounts of cash awards paid for a Special Act or Service based on intangible benefits shall be established on the basis of the following table:

<i>Extent of Application</i>	<i>Maximum Amount</i>
Limited	\$100
Broad	\$200
General	\$300

*Definitions—Extent of Application*

Limited: Affects immediate associates or work area.

Broad: Affects more than the immediate work area or associates, but is within a major office, program, or constituent unit.

General: Affects a large portion of the HHFA, or is in the public interest in more than one area.

**Employee Suggestion Award**

A suggestion is a proposal expressed in specific terms which shows how to effect economies in operation, increase production, improve working

conditions or employee relations, conserve property, improve service to the public, or otherwise benefit the Government. It may concern a matter within or outside an employee's job responsibilities. Every employee is eligible to participate in the suggestion system.

Employee suggestions will not be evaluated through the suggestion system when they do not meet the above definition of a suggestion, or when it is obvious that the potential benefits of the proposal, if adopted, would not be sufficient to offset the cost of processing it for evaluation. Although suggestions may concern a matter within an employee's job responsibility, they will not be evaluated when they are clearly a matter of normal job requirements within that responsibility, or when they are the result of a specific project which the employee is directed to perform as a part of the job responsibility, such as assignments under the Management Improvement Program.

A suggestion or contribution submitted by an employee will be eligible for an award when it is adopted and actually put into effect, or a determination made by appropriate authority that it will be used.

When a suggestion has been made by more than one employee, or by a group of employees, all who have contributed, including the supervisor, may share equally or proportionately in the award. As in the case of an award for a Special Act or Service, the total amount of the cash award shall be the amount authorized for that type of award if made to an individual. However, where individual shares of such group awards appear inappropriate, the committee may deviate from the scale.

#### **Suggestions on Matters Within Job Responsibilities**

In some jobs a major responsibility is to search for ways of conducting Agency business with increased efficiency and economy. Positions such as those of Management Analysts, Program Planners, Classification Analysts, and principal staff positions are in this category. As a general rule, when an individual in such a position receives an award for a job-related suggestion, the suggestion is of considerable significance and goes beyond the scope of normal job requirements.

#### **Suggestions on Matters Outside Job Responsibilities**

All suggestions dealing with matters that are not related to or only very indirectly related to the suggester's job requirements, may be considered as the basis for an award.

#### **Procedure for Submitting Suggestions**

*Employee Suggestion Form*, H-142, is provided for the submission of suggestions, although the use of this form is not mandatory. Suggestions may be forwarded direct to the Chairman or the Executive Secretary, Incentive Awards Committee, but employees are encouraged to

submit suggestions through their supervisors so that supervisors will have an opportunity to give advice and assistance. Receipt of suggestions shall be acknowledged by the Executive Secretary.

Before review by the Committee, each suggestion shall be referred with Form H-177A, *Report on Employee Suggestion (Exhibit A)*, by the Management Analysis and Procedures Branch, Division of Budget and Management, to the particular operating office or offices concerned with the subject matter of the suggestion. Reviewing offices shall be given an initial period of two weeks in which to appraise the suggestion, complete Form H-177A, and return it to the Branch, unless the office concerned requests an extension of time. Where such offices do not reply within the initial period, the Branch will send a reminder notice, followed by a second reminder two weeks later if the suggestion still is not at hand. Upon receipt of the appraised suggestion, the Management Analysis and Procedures Branch shall review the appraisals and forward them with its recommendation on Form H-177A to the Committee. The Committee shall then review the matter and make a determination as to the disposition of the suggestion. A copy of each appraisal shall be sent to the suggester in order that he may know the basis for the final determination.

#### **Intra-Agency Suggestions**

When an idea submitted by an employee is considered by the Committee to have application in other HHFA constituent agencies it will be forwarded directly to the appropriate agency or agencies. If such an idea merits an award in the OA, the award will be granted before such forwarding to the constituent agencies.

#### **Inter-Departmental Suggestions**

If an employee believes that his suggestion can be applied to the activities of other Federal departments and agencies, he should describe its application in his submission as specifically as possible. If the Incentive Awards Committee believes that the suggestion has such application, it will forward the file with its recommendation to the agency to which it is applicable. If the suggestion is not clearly applicable to a single agency or department, it will be forwarded to the Civil Service Commission for appropriate referral.

Suggestions of employees of other Federal departments forwarded by the Civil Service Commission will be evaluated and amounts of cash awards calculated by the Incentive Awards Committee on the same basis and standards used to judge suggestions of OA employees. Reports of action taken on such contributions forwarded by the Civil Service Commission shall be returned by the Committee to the Civil Service Commission. Such reports shall include: (1) the estimated first year's net monetary savings, if any, and (2) the amount of the cash award that would be in order for intangible benefits, if any, under OA

award scales. Upon receipt of this information, the Civil Service Commission will notify the Committee of the Agency's share of the award to be paid the suggestor. The Division of Finance and Accounts shall arrange to remit the amount to be paid to the Federal department in which the suggestor works. When funds are received from other Federal departments for payment to an OA employee, such funds shall be placed in a deposit fund account. As soon as all such funds are received, a single award payment will be made to the employee.

AWARD SCALE

TANGIBLE BENEFITS TABLE

When it has been determined that an employee suggestion is worthy of an award based primarily upon demonstrated savings, the amount paid will be set by the following award scale as established by Civil Service Commission Regulations:

TANGIBLE BENEFITS	AMOUNT OF AWARD
\$50-\$300 .....	\$15
\$301-\$10,000 .....	\$15 for the first \$300 in benefits and \$5 for each additional \$100 or fraction thereof.
\$10,001-\$20,000 .....	\$500 for the first \$10,000 in benefits and \$5 for each additional \$200 or fraction thereof.
\$20,001-\$100,000 .....	\$750 for the first \$20,000 in benefits and \$5 for each additional \$1,000 or fraction thereof.
\$100,001 or more .....	\$1,150 for the first \$100,000 in benefits and \$5 for each additional \$5,000 or fraction thereof.

Savings from employee contributions will be calculated on the basis of the estimated net savings for the first full year of operation. An exception may be made in cases where an improvement with a high installation cost will yield measurable savings continuing more than one year. In these cases, the award may be based on the new average annual savings over a period of years, which may not exceed either the reasonable life of the initial installation or the clearly predictable period of use, whichever is the shorter.

INTANGIBLE BENEFITS TABLE

When it is determined that an employee or a group of employees is eligible for a cash award based solely or primarily on intangible benefits

derived from a suggestion as defined in this section, the amount of the award paid shall be established on the basis of the following table:

Extent of Application

Value of Benefit	Limited	Broad	General
Minor	\$15-30	\$30-100	\$100-200
Major	\$100-200	\$200-300	\$300-500
Extraordinary	\$300-450	\$450-750	\$750-up

Definitions—Value of Benefit

Minor— Modification of an operating principle or procedure having limited potential value.

Major— Complete revision of a single basic principle or procedure having a high potential value.

Extraordinary—Initiation of a new principle or a major procedure which materially affects a primary program, such as a contribution which substantially advances an important activity or enhances the Agency's role in the Executive Branch.

*Definitions—Extent of Application*

Limited —Affects immediate associates or the work of a section or branch in which the employee is located.

Broad —Affects a major portion of the Agency.

General — Affects the entire Agency.

The minimum cash award of \$15 based on intangible savings shall not be granted unless the contribution compares favorably with those receiving the minimum cash award for tangible benefits.

Suggestions which do not merit the minimum cash award but are worthy of adoption shall be recognized by a letter of commendation from the Incentive Awards Committee.

The Agency is authorized to make cash awards not in excess of \$5,000 based on either tangible or intangible benefits without prior approval of the Civil Service Commission.

**Length of Service Award**

A length-of-service award is granted to each employee after the completion of ten years of Federal service and at five year intervals thereafter. The Service Award consists of a lapel emblem (for men) or a

pin (for women). Service pins will be of identical design except for a different numeral and metal for varying periods of service as follows:

- 10 years—Bronze
- 15 years—Sterling Silver
- 20 years—Sterling Silver
- 25 years—Gold-filled
- 30 years—Gold 10k
- 35 years—Gold 10k with a 2 Pt. white diamond chip
- 40 years—Gold 10k with a ruby chip
- 45 years—Gold 10k with a ruby chip
- 50 years—Gold 10k with a 3 Pt. white diamond chip

#### **OTHER AWARDS**

##### **President's Award for Distinguished Federal Civilian Service**

Each year the President makes five awards to civilian employees for distinguished service. When an employee's contribution is so outstanding and exceptional that appropriate public commendation cannot be accorded by the Agency, the Administrator may nominate not more than one such candidate each year to the President's Distinguished Civilian Service Awards Board.

##### **Federal Woman's Award for Outstanding Achievement**

This is an honorary non-cash award for the purpose of: providing special recognition to women who have made outstanding contributions to the efficiency and quality of the career service of the Federal government; encouraging high standards or performance from other women in government; and making more widely known to the public the variety of careers for women in the service of the Federal government. Any woman of the Federal government, with no less than three years continuous full-time service in the competitive service and who has attained a grade GS-9 or above, may be recommended for an award based upon career service which has been characterized by outstanding ability and achievement in an executive, professional, scientific or technical position.

Recommendations for this award may be submitted by Commissioners of constituent units and major office heads upon request by the Administrator, through the Director of Personnel to an ad hoc selections committee appointed by the Administrator.

##### **National Civil Service League Career Service Award**

This is an honorary, non-cash award which is sponsored by the National Civil Service League. It is presented annually for the purpose of bringing to national prominence some of the significant careers of men and women in the Federal career service.

Recommendations for this award may be submitted by Commissioners

of constituent units and major office heads upon request by the Administrator, through the Director of Personnel to an ad hoc selections committee appointed by the Administrator.

#### **Arthur S. Flemming Award**

This is an honorary, non-cash award and is sponsored by the Junior Chamber of Commerce, Washington, D. C. Its purpose is to honor outstanding young men in the Federal government who have performed in executive, administrative, technical or scientific fields.

Recommendations for this award may be submitted by Commissioners of constituent units and major office heads upon request by the Administrator through the Director of Personnel to an ad hoc selections committee appointed by the Administrator.

#### **William A. Jump Memorial Award**

This is an honorary, non-cash award and is sponsored by the William A. Jump Memorial Foundation. Its purpose is to recognize men and women in the field of public administration who have made notable contributions to the efficiency and quality of the public service.

Recommendations for this award may be submitted by Commissioners of constituent units and major office heads upon request by the Administrator through the Director of Personnel to an ad hoc selections committee appointed by the Administrator.

#### **Rockefeller Public Service Award**

This is a cash award given annually to men and women in the Federal government who have rendered outstanding service to the nation. It is administered as a national trust by the Woodrow Wilson School of Public and International Affairs, Princeton University.

Recommendations for this award may be originated by anyone within the OA. The formal recommendation, however, shall be submitted by Commissioners of constituent units and major office heads upon request by the Administrator, through the Director of Personnel to an ad hoc selections committee appointed by the Administrator.

#### **EMPLOYEE RECOGNITION**

All awards made under the Incentive Awards Program shall be appropriately publicized. This shall include, for example, presenting awards in appropriate ceremonies with as many co-workers of the awards recipients present as is feasible.

Appropriate notation shall be made in the personnel folder of any employee to whom a cash or honorary award has been granted. When such an employee is being considered for promotion in accordance with regular promotion plan procedures, information relating to any awards granted shall be considered along with all other pertinent data in making a final selection.

EXHIBIT A

HOUSING AND HOME FINANCE AGENCY INCENTIVE AWARDS PROGRAM <b>REPORT ON EMPLOYEE SUGGESTION</b> <i>(Please complete Sections A through F of this report; use additional sheets to complete any section as necessary)</i>		H-177A (9-64)	
DESCRIPTION OF SUGGESTION		SUGGESTION NUMBER	
		DATE FORWARDED	
ANALYST		DUE DATE	
		EXTENSION	
ROUTE IN SEQUENCE INDICATED TO:	ROOM	CENTRAL OFFICE ACTIONS	REGIONAL OFFICE ACTIONS
		Suggestion submitted for: <input type="checkbox"/> Review and comment <input type="checkbox"/> Consideration for adoption <input type="checkbox"/> Consideration for National adoption <input type="checkbox"/> _____	Suggestion submitted for: <input type="checkbox"/> Consideration for adoption on Local Option basis <input type="checkbox"/> Review and comment on possible National Adoption <input type="checkbox"/> _____
Executive Secretary, OA Committee	210-N		
Management Analysis and Procedures Branch	505-N		
Regional Director of Administration <i>(For consideration by Regional Committee)</i>	REGION	<input type="checkbox"/> Final Report by MAPB	<input type="checkbox"/> Final Report to: _____
A. APPRAISAL OF THE SUGGESTION. Indicate the results expected or give the specific reasons why this suggestion should not be adopted. Describe any modifications which will be made in the suggestion before it is put in-to effect. Specifically identify all HHFA policies or procedures affected by the suggestion and/or requiring modification to permit adoption.			
(Over)			

EXHIBIT A (Page 2)

**B. WAS THIS IDEA OR ONE SUBSTANTIALLY THE SAME ALREADY UNDER DEVELOPMENT?**  Yes  No  
 If "Yes", please explain:

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**C. DO YOU KNOW OF ANY OTHER PART OF HHA OR ANY OTHER FEDERAL AGENCIES WHICH USE OR MIGHT USE THIS SUGGESTION?**  
 Yes  No. If "Yes", please list:

---

**D. INTANGIBLE BENEFITS (See Vol. III or V, Section 2-5-2, for definitions and criteria)**  
 1. If the suggestion is adopted will there be any intangible benefits?  Yes  No  
 2. If "Yes", indicate the nature of such benefits by checking the appropriate box:

VALUE OF BENEFIT	EXTENT OF APPLICATION		
	LIMITED	BROAD	GENERAL
Minor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Major	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Extraordinary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

---

**E. TANGIBLE SAVINGS**  
 1. If the suggestion is adopted, can tangible savings be estimated?  Yes  No  
 2. If "Yes", estimate annual savings in first full year following adoption:

Travel, printing, and other administrative savings (specify):	\$
Personnel savings: Man years _____ X Annual salary \$ _____ =	\$
	\$
<b>Total of Gross Annual Savings</b>	\$
Estimated cost of installation (Estimate only if costs are significant)	\$
Net estimated annual savings in first full year	\$

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**F. ACTION ON SUGGESTION (Complete Part 1 or 2)**  
 1. Action taken (If your office has the authority to adopt the suggestion)  
 Suggestion adopted effective \_\_\_\_\_ 19 \_\_\_\_\_  
 or  
 Suggestion not adopted for reasons stated under Section A.

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2. Action recommended (If your office does not have the authority to adopt the suggestion)  
 Adoption recommended.  
 or  
 Adoption not recommended for reasons stated under Section A.

SIGNATURE	TITLE	DATE
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### Section 3

## STANDARDS OF CONDUCT

### PURPOSE

This section prescribes standards of conduct, in addition to those prescribed by statute, for employees of the Housing and Home Finance Agency in connection with outside employment, financial and other interests, gratuities, and the conduct of certain aspects of Government business. It also contains standards relating to representative appearances of former employees.

As used in this Section, the term *employee* means any officer or employee of the Housing and Home Finance Agency, including the Office of the Administrator and each of the constituents, except experts, advisers, consultants, and part-time and intermittent employees.

Additional guides applicable to Presidential appointees are contained in Executive Order 10939.

The maintenance of high moral and ethical standards in the public service is essential both to efficiency in the conduct of Government business and to assuring the confidence of the public in their Government. Unwavering integrity and standards of behavior that reflect credit on the Government are required of all members of the public service.

The elimination of conflicts of interest in the Federal service is one of the most important objectives in establishing general standards of conduct. A conflict of interest situation may be defined as one in which a Federal employee's private interest, usually of an economic nature, conflicts or raises a reasonable question of conflict with his public duties and responsibilities. The potential conflict is of concern whether it is real or only apparent.

It is essential that consideration be given to two key objectives: (1) ethical standards of the Federal Government must be beyond reproach; (2) the Federal Government must be in a position to obtain the high quality personnel needed for effective, representative government in the modern age.

Legislation has been enacted to prohibit specific activities of Federal employees which might result in conflicts of interest. The basic provisions of this legislation are summarized in Exhibit A, and they should be carefully reviewed by all employees.

Over and above the statutory limitations, however, there are fundamental moral and ethical considerations which must govern the conduct of Federal employees. As has been said by the Attorney General of the United States:

Apart from statute, there are certain principles of fair dealing which have the force of law and which are applicable to all officers of the Government. A public office is a public trust. No public officer or employee can lawfully engage in business activities which are incompatible with the duties of his office. He cannot in his private or official character enter into engagements in which he has, or can have, a conflicting personal interest. He cannot allow his public duties to be neglected by the reason of attention to his private affairs. Such conflicts of interest are not tolerated in the case of any private fiduciary, and they are doubly proscribed for a public trustee. (40 Op. A.G. 187)

These principles have been stressed by the Congress in a Concurrent Resolution outlining a code of Ethics for Government Service (Exhibit B) and in the Standards of Conduct for Civilian Employees prepared by the Civil Service Commission at the direction of the President.

#### **OUTSIDE EMPLOYMENT**

In the absence of some condition which in a particular case distinguishes public service from other types of employment, Federal employees are entitled to the same rights and privileges as all other citizens. There is, therefore, no general prohibition against Federal employees engaging in outside employment if they wish to or if they feel the economic need for doing so.<sup>1</sup>

An employee may not, however, engage in outside employment which may: (a) interfere with the efficient performance of the employee's official duties, (b) bring discredit upon, or cause unfavorable and reasonable criticism of, the Government or the Agency, or (c) reasonably result in, or reasonably be construed by others as involving, a conflict of interest between the private interest of the employee and his official duties and responsibilities.

#### **Outside Employment Which is Not Permitted**

No employee shall engage in any outside employment when:

- (1) The activities involved may be construed by the public to be the official acts of the Agency or the employment may in any way involve the use of public office for private gain.
- (2) The connections to be established or property interests to be acquired may result in conflict between the private interest of the employee and his official duty, tend to bias his judgment, or cause any loss of impartiality.

<sup>1</sup>The term employment as used herein means the performance of services in an employer-employee relationship, or in the conduct of a private business, or as an independent contractor.

- (3) The employment may involve the use of information secured as the result of employment in the Agency to the detriment of the Agency or the public service or may involve any undertaking to give preferential treatment to any person, corporation, public agency, or group.
- (4) The employment may tend to bring criticism on or cause embarrassment to the Agency or have any adverse effect on the confidence of the public in the integrity of the Government, or result in the making of a Governmental decision outside official channels.
- (5) The employment may interfere in any way with the proper and efficient discharge of the duties and responsibilities of the employee's official position or may impede government efficiency or economy.

No employee shall maintain a publicly listed or identified place of business for the pursuit of the professional field in which he is employed by the Agency.

#### **Outside Employment Requiring Prior Approval**

Outside employment in the same professional field as an employee's official position or in activities related to HHFA programs is particularly open to misunderstanding. The same is true of employment by other public jurisdictions because of the nature of HHFA's relationship to agencies of State and local governments.

No employee shall, therefore, engage in outside employment falling into the following categories, except as provided under the heading "Teaching, Writing, and Lecturing," below, without the prior approval of the Director of Personnel:

- (1) Employment related to or similar to the substantive programs conducted in any part of the Housing and Home Finance Agency. This provision is intended to cover, but is not limited to, the broad fields of real estate, mortgage lending, property insurance, construction, construction financing, and planning.
- (2) Employment in the same professional field as that of the individual's official position.
- (3) Employment, including appointments without compensation, by another governmental body.

#### **Teaching, Writing, and Lecturing**

Teaching, writing, and lecturing by Federal employees are generally to be encouraged so long as the laws and regulations pertaining to standards of conduct are observed. These activities frequently serve to

enhance the employee's value to the Government as well as to increase the spread of knowledge and information.

However, when the subject matter (a) is devoted substantially to the specific duties of an employee's position or (b) draws substantially upon official data or ideas which have not become part of the body of public information and are not available to others upon request, prior approval of such activity by the Director of Personnel is required.<sup>1</sup>

An employee may use his name and title in connection with articles for publication which bear upon his work in the Agency by submitting the article first to the Director of Personnel for approval of the activity and then to the Director, Information Branch for approval of the substance, prior to publication.

#### MEMBERSHIP IN ORGANIZATIONS

An employee may not, in his official capacity as an officer or employee of the HHFA, serve as a member of a non-Federal or private organization except where express statutory authority exists, or statutory language necessarily implies such authority. However, an employee may serve in an individual capacity as a member of a non-Federal or private organization, provided that:

- (1) his membership does not involve him in any of the conditions (1) through (5) listed under "OUTSIDE EMPLOYMENT," above; and
- (2) his official title or organizational connection is not shown on any listing or presented in any activity of the organization in such a manner as to imply that he is acting in his official capacity.

#### FINANCIAL AND OTHER INTERESTS

An employee may not, in his official capacity as a Government employee, participate in any matter on behalf of the Government in the consequences of which he, his spouse, minor children or business associates have a financial interest.

An employee may not (a) have financial interests that conflict or may reasonably be construed by others to conflict, with his responsibilities and duties as a Federal employee, or (b) engage in, directly or indirectly, financial transactions as a result of, or primarily relying upon, information obtained through his employment. Aside from these restrictions and the following specific rules, an employee is free to engage in lawful financial transactions to the same extent as any other citizen.

<sup>1</sup> In the case of officers subject to the provisions of Executive Order No. 10939, clause (a) of this sentence is changed to read (a) *is devoted substantially to the responsibilities, programs, or operations of the Agency.*

In addition, such officer may not receive compensation for any consultation, lecture, discussion, writing, or appearance if either clause (a) as amended, or clause (b) is applicable thereto.

Common stock of the Federal National Mortgage Association shall not be acquired by an employee of the Housing and Home Finance Agency or by the spouse or minor child of such employee.

No employee shall be an officer or director of any organization which is an FHA-approved mortgage or lending institution or which services mortgages or other securities for the Agency. An employee may hold stock or shares in such an organization provided his official duties are such that the holding will not create or tend to create a conflict of interest.

**GRATUITIES AND GIFTS**

No employee shall solicit, accept, or agree to accept, directly or indirectly, anything of economic value as a gift, gratuity, or favor, which might reasonably be interpreted by others as being of such nature that it could affect his impartiality, from any person, corporation, public agency, or group, if the employee has reason to believe that the person, corporation, public agency, or group:

- (a) Has or is seeking to obtain contractual or other business or financial relationships with the Agency.
- (b) Conducts operations or activities which are regulated by the Agency.
- (c) Has interests which may be substantially affected by such employee's performance or non-performance of his official duty.
- (d) Is in any way attempting to affect the employee's official actions.

Although under the foregoing criteria, the acceptance of any gift, gratuity, or favor directly or indirectly affecting an employee's official responsibilities would be clearly adverse to the public interest, this need not preclude the exchange of usual social courtesies which are entirely free from any improper or embarrassing implications.

No employee shall receive compensation or anything of monetary value, other than that to which he is duly entitled from the Government, for the performance of any activity during his service as such employee, and within the scope of his official responsibilities. This prohibition shall not be construed to preclude the acceptance of awards for meritorious public contributions given by public service or civic organizations.

**FAVORITISM**

No employee shall accord preferential treatment to any person, corporation, public agency, or group in the conduct of official business except in the manner and to the extent prescribed by specific statutes or regulations.

No employee shall discriminate for or against any person having business before the Agency because of race, color, creed, sex, or national origin.

No employee shall give or use information acquired by means of his position to advance the private interests of himself, his family, associates, or friends, nor shall he recommend or suggest the use of any particular or identified non-governmental intermediary to deal with the Agency, or any device or product tested by or for, or used by, the Agency, except as required by his official duties.

#### **CONDUCTING GOVERNMENT BUSINESS**

The manner in which an employee conducts himself on the job is frequently relevant to the proper, economical, and efficient accomplishment of his official duties and responsibilities. In addition, those employees who are in direct contact with the public play a most significant role in determining the public's attitude toward the Federal service, both by the manner in which they serve the public and the way in which they conduct themselves generally in the view of the public.

Each employee must conduct himself in such a manner that the work of the Agency is effectively accomplished and must also observe the requirements of courtesy, consideration, and promptness in dealing with or serving the public or the clientele of the Agency.

Embarrassment to the Agency will be avoided by conducting government business on those premises where such business is normally transacted and through the proper official channels. Particular care must be exercised when the negotiations are being carried on with non-governmental personnel.

No employee shall use Federal property of any kind for other than officially approved activities.

#### **ADVISERS, CONSULTANTS AND TEMPORARY EMPLOYEES**

Conflict of interest laws are applicable to persons employed by the Agency as advisers, consultants, experts, and members of advisory committees. This legislation establishes a category of personnel, termed "special Government employees," consisting of those employed by the Government to perform temporary duties on a full-time or intermittent basis for not more than 130 days in any period of 365 consecutive days. Most advisers, consultants, experts, and advisory committee members employed by this Agency fall in this category of "special Government employee." Although the provisions which this legislation applies to special Government employees are somewhat less restrictive than those applied to regular Government employees, it is important that special Government employees understand clearly the nature and extent of these limitations. The provisions are summarized in part B of Exhibit A, and are explained in detail in the President's Memorandum of May 2, 1963, entitled "Preventing Conflicts of Interest on the Part of Special Government Employees" (Exhibit C). A copy of the President's Memorandum shall be given to each special Government employee upon appointment by the Agency. The Memorandum shall also be distributed

to all regular employees of the Agency who are charged with the supervision of special Government employees.

Consultants, advisers, and experts shall be required to complete and keep current a *Statement of Employment and Financial Interests* (Standard Form 68) prior to appointment to the Agency. This statement shall be forwarded to the chief legal officer of the agency concerned for information and advice as to possible conflicts of interest.

Appointing officers shall in all cases see that experts, advisers, and consultants are furnished with a copy of these Agency regulations and other pertinent material governing standards of conduct.

#### PENALTIES

Penalties for violations of statutory restrictions are expressly prescribed by the appropriate sections of the conflict of interest legislation.

Administrative penalties for violating the preceding provisions of this Section may include official reprimand, suspension, demotion, or separation.

#### RESPONSIBILITY OF EMPLOYEES

Each employee of the Housing and Home Finance Agency is responsible for complying with the provisions of this Section.

For the protection equally of the Agency and its employees, it is desirable to establish as a matter of record the fact that employees recognize the necessity of eliminating or preventing conflicts between their private interests and their public responsibilities. Each new employee will, therefore, be required to file, with the Director of Personnel, Form HHFA-8, *Certification of Private Business and Financial Interests*, prior to entrance on duty.

Under *Item 1*, the employee shall list all outside employment which requires prior approval of the Director of Personnel:

- (1) Employment related to or similar to the substantive programs conducted in any part of the Housing and Home Finance Agency. This provision is intended to cover, but is not limited to, the broad fields of real estate, mortgage lending, property insurance, construction, construction financing, and planning.
- (2) Employment in the same professional field as that of the individual's official position.
- (3) Employment by another governmental body.

Outside employment as a teacher, writer, or lecturer does not require prior approval of the Director of Personnel except as provided under the subhead *Teaching, Writing, and Lecturing*, above. When prior approval is required such employment should be listed under *Item 1*; otherwise it should be listed under *Item 2*.

Under *Item 2*, the employee shall list all other outside employment.

Under *Item 3*, the employee shall list any financial or other interests which relate directly or indirectly to the substantive programs conducted in any part of the Housing and Home Finance Agency, including real estate holdings other than the employee's own home or summer residence.

The signed and completed certification shall be treated in all respects as confidential information and shall be available only to such persons as may need such information in the performance of their official duties for the Government.

In the event that further action is required with respect to any stated employment, interest, or activity, the employee will be notified of such action promptly. It should be noted that employment listed under Item 1 requires prior approval of the Director of Personnel (See above).

Certificates shall be supplemented, using Form HHFA-8 as necessary to keep them current at all times.

#### **RESPONSIBILITY OF SUPERVISORS**

Supervisors, on the basis of information supplied through the Director of Personnel or through any other source, shall be responsible for guarding against the making of assignments which might involve a possible conflict of interest.

Supervisory officials are expected to exercise diligence to the end that the activities of the individuals under their supervision do not result in criticism of or embarrassment to the Agency. Supervisors concerned are therefore requested to review and endorse or otherwise note Form HHFA-8 when such forms are submitted upon the appointment of new personnel.

If, through any source, a supervisory official receives information indicating a violation of this Section, such information shall be reported immediately, by memorandum, to the Director of Personnel. (See also Section 1-11 of this Volume, relating to referrals to the Compliance Division.)

#### **RESPONSIBILITY OF THE DIRECTOR OF PERSONNEL**

The Director of Personnel and the Assistant Administrator (Administration) are responsible to the Administrator for the general administration of the conflict of interest program under this Section. This shall include responsibility for making determinations regarding the applicability of the procedures and the extent of disciplinary action to be taken or recommended in individual cases.

In making determinations in such cases the Director of Personnel shall be guided by this Section and by the decisions of the Outside Activities Committee. He will refer to the Outside Activities Committee, through the executive secretary, cases requiring new policy

judgments or advice on interpretation of existing policy and other cases required by these procedures to be referred to the Committee.

The Director of Personnel shall semi-annually, in June and December, (1) call the attention of each employee to the provisions of this Section and (2) submit a report summarizing any unusual or difficult cases of conflict of interest to the Administrator, with a copy to the Outside Activities Committee.

Questions relating to the interpretation or application of this Section to specific outside interests or activities should be taken up in writing with the Director of Personnel.

#### **RESPONSIBILITY OF THE OUTSIDE ACTIVITIES COMMITTEE**

The Outside Activities Committee shall provide policy guidance in the administration of this Section and reach decisions in cases of appeals from determinations of the Director of Personnel. The Committee shall not, however, review matters concerned with a consultant's, adviser's, or expert's Statement of Employment and Financial Interests except at the request of the chief legal officer concerned.

The Outside Activities Committee shall, from time to time, review the effectiveness of these policies and shall recommend to the Administrator such new or revised policies as may appear desirable.

The Director of Personnel shall serve as executive secretary to the Outside Activities Committee, advise the committee regarding the administration of the Section and regarding proposed changes in the policies and procedures relating to Standards of Conduct and provide necessary staff services for the Committee.

The Outside Activities Committee shall consist of the Assistant Administrator (Administration), who shall serve as chairman; the HHFA General Counsel, who shall serve as vice chairman; and a representative designated by each of the Commissioners of FHA, PHA, CFA, and URA, and the President of FNMA. The chairman or vice chairman and any two members shall constitute a quorum.

**EXHIBIT A****General Provisions of Conflict of Interest Legislation**

Federal legislation pertaining to conflict of interest is contained in Public Law 87-849, which came into force on January 21, 1963. One of the main purposes of the new legislation was to help the Government obtain the temporary services of persons with special skills whose principal employment is outside the Government. Public Law 87-849 does this by imposing lesser restrictions on these employees than on the Government's regular employees.

Restrictions on both groups of employees, however, are far-reaching in many aspects, and employees who have any question about the law's application to their own situations should take care to review the full provisions of Public Law 87-849.

The law makes a clear distinction between two categories of employment. Persons employed on a full-time or intermittent basis for not more than 130 days in any period of 365 are defined as "special Government employees;" all other employees are considered regular employees.

- A. A regular employee of the Government is in general subject to the following major restrictions:
1. He may not, except in the discharge of his official duties, represent anyone else before a court or Government agency in a matter in which the United States is a party or has an interest. This prohibition applies both to paid and unpaid representation of another (18 U.S.C. 203 and 205).
  2. He may not participate in his governmental capacity in any matter in which he, his spouse, minor child, outside business associate or person with whom he is negotiating for employment has a financial interest (18 U.S.C. 208).
  3. He may not, after his Government employment has ended, represent anyone other than the United States in connection with a matter in which the United States is a party or has an interest and in which he participated personally and substantially for the Government (18 U.S.C. 207 (a)).
  4. He may not, for 1 year after his Government employment has ended, represent anyone other than the United States in connection with a matter in which the United States is a party or has an interest and which was within the boundaries of his official responsibility during the last year of his Government service (18 U.S.C. 207 (b)). This temporary restraint of course gives way to the permanent restraint described in paragraph 3 if the matter is one in which he participated personally and substantially.

## EXHIBIT A (Page 2)

5. He may not receive any salary, or supplementation of his Government salary, from a private source as compensation for his services to the Government (18 U.S.C. 209).
- B. A special Government employee is in general subject only to the following major restrictions:
1. (a) He may not, except in the discharge of his official duties, represent anyone else before a court or Government agency in a matter in which the United States is a party or has an interest and in which he has at any time participated personally and substantially for the Government. (18 U.S.C. 203 and 205).  
(b) He may not, except in the discharge of his official duties, represent anyone else in a matter pending before the agency he serves unless he has served there no more than 60 days during the past 365 (18 U.S.C. 203 and 205). He is bound by this restraint despite the fact that the matter is not one in which he has ever participated personally and substantially.
  2. He may not participate in his governmental capacity in any matter in which he, his spouse, minor child, outside business associate or person with whom he is negotiating for employment has a financial interest (18 U.S.C. 208).
  3. He may not, after his Government employment has ended, represent anyone other than the United States in connection with a matter in which the United States is a party or has an interest and in which he participated personally and substantially for the Government (18 U.S.C. 207 (a)).
  4. He may not, for 1 year after his Government employment has ended, represent anyone other than the United States in connection with a matter in which the United States is a party or has an interest and which was within the boundaries of his official responsibility during the last year of his Government service (18 U.S.C. 207 (b)). This temporary restraint of course gives way to the permanent restriction described in paragraph 3 if the matter is one in which he participated personally and substantially.

There are certain exceptions to the prohibitions listed above which are contained in Public Law 87-849; for purposes of brevity they are not listed here. Employees who believe that these exceptions may apply to them should review the full provisions of the law, and the Attorney General's Memorandum of January 28, 1963, 28 F.R. 984-89.

**EXHIBIT B**

Resolved by the House of Representatives (The Senate concurring), That it is the sense of the Congress that the following code of Ethics should be adhered to by all Government employees, including officeholders:<sup>1</sup>

**CODE OF ETHICS FOR GOVERNMENT SERVICE**

Any person in Government service should:

1. Put loyalty to the highest moral principles and to country above loyalty to persons, party, or Government department.

2. Uphold the Constitution, laws, and legal regulations of the United States and of all governments therein and never be a party to their evasion.

3. Give a full day's labor for a full day's pay; giving to the performance of his duties his earnest effort and best thought.

4. Seek to find and employ more efficient and economical ways of getting tasks accomplished.

5. Never discriminate unfairly by the dispensation of special favors or privileges to anyone, whether for remuneration or not; and never accept, for himself or his family, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties.

6. Make no private promises of any kind binding upon the duties of office, since a Government employee has no private word which can be binding on public duty.

7. Engage in no business with the Government, either directly or indirectly, which is inconsistent with the conscientious performance of his government duties.

8. Never use any information coming to him confidentially in the performance of governmental duties as a means of making private profit.

9. Expose corruption wherever discovered.

10. Uphold these principles, ever conscious that public office is a public trust.

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<sup>1</sup> House Concurrent Resolution 175, 85th Congress, adopted July 11, 1958.

**EXHIBIT C****The President's Memorandum of May 2, 1963****[PREVENTING CONFLICTS OF INTEREST ON THE PART OF SPECIAL  
GOVERNMENT EMPLOYEES]**

*Memorandum to the Heads of Executive Departments and Agencies*

**INTRODUCTION**

Over the past twenty or more years departments and agencies of the Government have made increasing use of temporary or intermittent consultants and advisers who serve individually or on advisory bodies. The employment of highly skilled persons on a temporary or intermittent basis is in the interest of the Government and provides it with an indispensable source of expert advice and knowledge. However, since such persons have their principal employment outside the Government, conflict of interest problems arise from time to time.

More particularly, many persons serving the Government temporarily or intermittently are individuals with specialized scientific knowledge and skills whose regular work is in industry, research institutes or educational institutions. An individual employed by a university may act as an intermittent consultant not only for the Government but for a private firm and either his university or the firm or both may be engaged in work for or supported by the Government. A consultant to the Government may have other financial connections with firms doing business with the Government in the general area of his expertise and, therefore, his consultancy. The many possible interrelationships between a consultant's service to the Government and his own and his employer's or client's financial interests demonstrate that conflicts problems may often arise.

The temporary or intermittent adviser or consultant and the department or agency which employs him both must be alert to the possibility of conflicts. It is, of course, incumbent upon the adviser or consultant to familiarize himself with the laws and regulations which are applicable to him. The responsibility of the department or agency is equally great. It is important that it oversee his activities in order to insure that the public interest is protected from improper conduct on his part and that he will not, through ignorance or inadvertence, embarrass the Government or himself. It must assist him to understand the pertinent laws and regulations. It must obtain from him such information concerning his financial interests as is necessary to disclose possible conflicts. It must take measures to avoid the use of his services in any situation in which a violation of law or regulation

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is likely to occur. And it must take prompt and proper disciplinary or remedial action when a violation, whether intentional or innocent, is detected.

Prior to January 21, 1963, the date on which P.L. 87-849 (76 Stat. 1119) came into force, the restraints imposed by the conflict of interest laws on temporary or intermittent employees of the United States were largely the same as those imposed on persons regularly employed by the Government. However, in enacting P.L. 87-849, Congress recognized that these restraints were unduly restrictive, as applied to temporary and intermittent employees, and hindered the Government in obtaining expert services for special needs. Congress dealt with these difficulties in the new statute by establishing a category of persons designated "special Government employees," and by making the restrictions imposed upon their private activities considerably less extensive than those applied to regular employees.

The term "special Government employee" is defined in new section 202 of Title 18, United States Code, which was enacted as a part of P.L. 87-849. The term includes, among others, officers and employees of the departments and agencies, including the District of Columbia, who are retained, designated, appointed or employed to serve, with or without compensation, for not more than 130 days during any period of 365 consecutive days, either on a full-time or intermittent basis, under any type of appointment of whatever duration.

The enactment of P.L. 87-849 has made it necessary for the departments and agencies utilizing temporary or intermittent personnel to revise their conflict of interest regulations with regard to such personnel. While the problems arising from the employment of such personnel will undoubtedly vary from one Government organization to another, and different regulations may in some instances be appropriate or necessary, I believe it is desirable to achieve the maximum uniformity possible in order to insure general standards of common application throughout the Government. This memorandum is designed to achieve that purpose. It supersedes my Memorandum of February 9, 1962 to the Heads of Executive Departments and Agencies, entitled "Preventing Conflicts of Interest on the Part of Advisers and Consultants to the Government" (27 F.R. 1341), which is hereby rescinded.

## CONFLICT OF INTEREST STATUTES

P.L. 87-849 repealed the six basic conflict of interest laws which were discussed in my Memorandum of February 9, 1962, and replaced them with six new sections of Title 18 numbered 202, 203, 205, 207, 208 and 209. Sections 203 and 205 contain prohibitions affecting the activities of Government employees in their private capacities. As

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already noted, the prohibitions applicable to special Government employees are less stringent than those which affect regular employees—*i.e.*, those who are appointed to serve more than 130 days a year. Section 207 contains prohibitions affecting the activities of persons who leave the service of the Government. It applies with the same force to former special Government employees as to former regular employees. Section 208 sets forth a restriction on the activities of a Government employee in performing his functions as such. This section also applies with the same force to both categories of employees. Section 209, which prohibits a regular employee's receipt of compensation from private sources in certain circumstances, specifically excludes special Government employees from its coverage.

The new sections are set forth in full in the appendix to this memorandum. It will be noted that all but 18 U.S.C. 202, which is devoted to the definition of terms, carry criminal penalties. The restraints imposed by the four criminal sections which are applicable to temporary and intermittent advisers or consultants, and to other persons falling within the definition of a special Government employee, are considered below.

*18 U.S.C. 203 and 205.* These two sections in general operate to preclude a regular Government employee, except in the discharge of his official duties, from representing another person before a department, agency or court, whether with or without compensation, in a matter in which the United States is a party or has a direct and substantial interest. However, the two sections impose only the following major restrictions upon a special Government employee:

1. He may not, except in the discharge of his official duties, represent anyone else before a court or Government agency in a matter involving a specific party or parties in which the United States is a party or has a direct and substantial interest and in which he has at any time participated personally and substantially in the course of his Government employment.

2. He may not, except in the discharge of his official duties, represent anyone else in a matter involving a specific party or parties in which the United States is a party or has a direct and substantial interest and which is pending before the agency he serves. However, this restraint is not applicable if he has served the agency no more than 60 days during the past 365. He is bound by the restraint, if applicable, regardless of whether the matter is one in which he has ever participated personally and substantially.

These restrictions prohibit both paid and unpaid representation and apply to a special Government employee on the days when he does not serve the Government as well as on the days when he does.

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Each department and agency should observe the following rules in obtaining and utilizing the services of a consultant, adviser or other temporary or intermittent employee:

(a) At the time of his original appointment and the time of each appointment thereafter, the department or agency should make its best estimate of the number of days during the following 365 on which it will require the services of the appointee. A part of a day should be counted as a full day for the purposes of this estimate, and a Saturday, Sunday or holiday on which duty is to be performed should be counted equally with a regular work day.

(b) Unless otherwise provided by law, an appointment should not extend for more than 365 days. In cases where an appointment extends beyond that period, an estimate as required by paragraph (a) should be made at the inception of the appointment and a new estimate at the expiration of each 365 days thereafter.

(c) If a department or agency estimates, pursuant to paragraph (a) or (b), that an appointee will serve more than 130 days during the ensuing 365, the appointee should not be carried on the rolls as a special Government employee and the department or agency should instruct him that he is regarded as subject to the prohibitions of sections 203 and 205 to the same extent as if he were to serve as a full-time employee. If the estimate is that he will serve no more than 130 days during the following 365 days, he should be carried on the rolls of the department or agency as a special Government employee and instructed that he is regarded as subject only to the restrictions of sections 203 and 205 described in paragraphs 1 and 2 above. Even if it becomes apparent, prior to the end of a period of 365 days for which a department or agency has made an estimate with regard to an appointee, that he has not been accurately classified, he should nevertheless continue to be deemed a special Government employee or not, as the case may be, for the remainder of that 365-day period.

(d) An employee who undertakes service with two departments or agencies shall inform each of his arrangements with the other. If both his appointments are made on the same date, the aggregate of the estimates made by the departments or agencies under paragraph (a) or (b) shall be deemed determinative of his classification by each. Notwithstanding anything to the contrary in paragraphs (a), (b) or (c), if after being employed by one department or agency, a special Government employee is appointed by a second to serve it in the same capacity, each department or agency should make an estimate of the amount of his service to it for the remaining portion of the 365-day period covered by the original estimate of the first. The sum of the two estimates and of the actual number of days of his service to the first department or agency during the prior portion of such 365-day period shall be deemed determinative of the classification

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of the appointee by each during the remaining portion. If an employee undertakes to serve more than two departments or agencies, they shall classify him in a manner similar to that prescribed in this paragraph in the case of two agencies. Each agency which employs special Government employees who serve other agencies shall designate an officer to coordinate the classification of such employees with such other agencies.

(e) In the case of a person who is serving as a member of an advisory committee, board or other group, and who is by virtue of his membership thereon an officer or employee of the United States, the requirements of paragraphs (a), (b), (c) and (d) should be carried out to the same extent as if he were serving the sponsoring department or agency separately and individually.

(f) The 60-day standard affecting a special Government employee's private activities before his department or agency is a standard of actual past service, as contrasted with the 130-day standard of estimated future service discussed above. As appears from paragraph 2 above, a special Government employee is barred from representing another person before his department or agency at times when he has served it for an aggregate of more than 60 days during the past 365. Thus, although once having been in effect, the statutory bar may be lifted later by reason of an intervening period of non-service. In other words, as a matter of law the bar may fluctuate in its effect during the course of a special Government employee's relationship with his department or agency.

(g) A part of a day should be counted as a full day in connection with the 60-day standard discussed in paragraph (f), above, and a Saturday, Sunday or holiday on which duty has been performed should be counted equally with a regular work day. Service performed by a special Government employee in one department or agency should not be counted by another in connection with the 60-day standard.

To a considerable extent the prohibitions of sections 203 and 205 are aimed at the sale of influence to gain special favors for private businesses and other organizations and at the misuse of governmental position or information. In accordance with these aims, it is desirable that a consultant or adviser or other individual who is a special Government employee, even when not compelled to do so by sections 203 and 205, should make every effort in his private work to avoid any personal contact with respect to negotiations for contracts or grants with the department or agency which he is serving if the subject matter is related to the subject matter of his consultancy or other service. I recognize that this will not always be possible to achieve where, for example, a consultant or adviser has an executive position

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and responsibility with his regular employer which requires him to participate personally in contract negotiations with the department or agency he is advising. Whenever this is the case the consultant or adviser should participate in the negotiations for his employer only with the knowledge of a responsible government official. In other instances an occasional consultant or adviser may have technical knowledge which is indispensable to his regular employer in his efforts to formulate a research and development contract or a research grant and, for the same reason, it is in the interest of the Government that he should take part in negotiations for his private employer. Again, he should participate only with the knowledge of a responsible Government official.

Section 205 contains an exemptive provision dealing with a similar situation which may arise *after* a Government grant or contract has been negotiated. This provision in certain cases permits both the Government and the private employer of a special Government employee to benefit from his performance of work under a grant or contract for which he would otherwise be disqualified because he had participated in the matter for the Government or it is pending in an agency he has served more than 60 days in the past year. More particularly, the provision gives the head of a department or agency the power, notwithstanding any prohibition in either section 203 or 205, to allow a special Government employee to represent before such department or agency either his regular employer or another person or organization in the performance of work under a grant or contract. As a basis for this action, the department or agency head must first make a certification in writing, published in the FEDERAL REGISTER, that it is required by the national interest.

Section 205 contains three other exemptive provisions, all of which apply to both special and regular Government employees. The first permits one Government employee to represent another, without compensation, in a disciplinary, loyalty or other personnel matter. The second permits a Government employee to represent, with or without compensation, a parent, spouse, child, or person or estate he serves as a fiduciary, but only if he has the approval of the official responsible for appointments to his position and the matter involved is neither one in which he has participated personally or substantially nor one under his official responsibility. The term "official responsibility" is defined in 18 U.S.C. 202 to mean, in substance, the direct administrative or operating authority to control Government action. The third provision removes any obstacle in section 205 to a Government employee's giving testimony under oath or making statements required to be made under penalty for perjury or contempt.

*18 U.S.C. 207.* Section 207 applies to individuals who have left Government service, including former special government employees. It prevents a former employee from representing another person in

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connection with certain matters in which he participated personally and substantially on behalf of the Government. The matters are those involving a specific party or parties in which the United States is also a party or has a direct and substantial interest. In addition, section 207 prevents a former employee, for a period of one year after his employment has ceased, from appearing personally for another person in such matters before a court, department or agency if the matters were within the area of his official responsibility at any time during the last year of his Government service. It should be noted that a consultant or adviser usually does not have "official responsibility."

For the purposes of section 207, the employment of a special Government employee ceases on the day his appointment expires or is otherwise terminated, as distinguished from the day on which he last performs service.

18 U.S.C. 208. This section bears on the activities of Government personnel, including special Government employees, in the course of their official duties. In general, it prevents a Government employee from participating as such in a particular matter in which, to his knowledge, he, his spouse, minor child, partner, or a profit or non-profit enterprise with which he is connected has a financial interest. However, the section permits an employee's agency to grant him an *ad hoc* exemption if the interest is not so substantial as to affect the integrity of his services. Insignificant interests may also be waived by a general rule or regulation. Whether an agency should issue a general rule or regulation and, if it does so, what standards it should set are questions which should be resolved by each agency in the context of its particular responsibilities and activities.

The matters in which special Government employees are disqualified by section 208 are not limited to those involving a specific party or parties in which the United States is a party or has an interest, as in the case of sections 203, 205 and 207. Section 208 therefore undoubtedly extends to matters in addition to contracts, grants, judicial and quasi-judicial proceedings, and other matters of an adversary nature. Accordingly, a special Government employee should in general be disqualified from participating as such in a matter of any type the outcome of which will have a direct and predictable effect upon the financial interests covered by the section. However, the power of exemption may be exercised in this situation if the special Government employee renders advice of a general nature from which no preference or advantage over others might be gained by any particular person or organization. The power of exemption may of course be exercised also where the financial interests involved are minimal in value.

## ETHICAL STANDARDS OF CONDUCT

Aside from the conflict of interest laws, there are elementary rules of ethics in the conduct of the public business by which all those who

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serve the Government are bound. That an individual may serve the Government only occasionally and for brief periods does not relieve him from the obligation to abide by those rules. That he may be needed to bring rare or specialized talents and skills to the Government does not mean that he should be considered for a waiver. The people of the nation are entitled to ethical behavior of the highest order in the conduct of their Government's affairs, from the occasional employee no less than from career personnel.

Although any discussion of standards of ethics is of course applicable to all special Government employees, it is especially important in connection with the work of advisers and consultants. The following remarks are therefore concerned with them in particular.

*Inside Information.* The first principle of ethical behavior for the temporary or intermittent consultant or adviser is that he must refrain from any use of his public office which is motivated by, or gives the appearance of being motivated by, the desire for private gain for himself or other persons, including particularly those with whom he has family, business or financial ties. The fact that the desired gain, if it materializes, will not take place at the expense of the Government makes his action no less improper.

An adviser or consultant must conduct himself in a manner devoid of the slightest suggestion that he is exploiting his Government employment for private advantage. Thus, a consultant or adviser must not, on the basis of any inside information, enter into speculation, or recommend speculation to members of his family or business associates, in commodities, land or the securities of any private company. He must obey this injunction even though his duties have no connection whatever with the Government programs or activities which may affect the value of such commodities, land or securities. And he should be careful in his personal financial activities to avoid any appearance of acting on the basis of information obtained in the course of his Government work.

It is important for consultants and advisers to have access to Government data pertinent to their duties and to maintain familiarity with the Government's plans and programs and the requirements thereof, within the area of their competence. Since it is frequently in the Government's interest that information of this nature be made generally available to an affected industry, there is generally no impropriety in a consultant's or adviser's utilizing such information in the course of his non-Government employment after it has become so available. However, a consultant or adviser may, in addition, acquire information which is not generally available to those outside the Government. In that event, he may not use such information for the special benefit of a business or other entity by which he is employed or retained or in which he has a financial interest.

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In order to avoid any actual or potential abuse of information by a consultant or adviser, departments and agencies should, through information programs, make every effort to insure to the maximum extent possible that all firms within an industry have access to the same information that is available to a consultant or adviser who is employed by any of them. In addition, regular Government employees should avoid divulging confidential information to him unnecessary to the performance of his governmental responsibility, or information which directly involves the financial interests of his employer. Consultants and advisers should be instructed that information not generally available to private industry must remain confidential in their hands, and must not be divulged to their private employers or clients. In cases of doubt they should be encouraged to confer with the chief legal officer or other designated agency official who can assist in the identification of information not generally available and in the resolution of any actual or potential conflict between duties to the Government and to private employers or clients.

Occasionally an individual who becomes a Government consultant or adviser is, subsequent to his designation as such, requested by a private enterprise to act in a similar capacity. In some cases the request may give the appearance of being motivated by the desire of the private employer to secure inside information. Where the consultant or adviser has reason to believe that the request for his services is so motivated, he should make a choice between acceptance of the tendered private employment and continuation of his Government consultancy. In such circumstances he may not engage in both. Furthermore, he should discuss any such offer of private employment with the chief legal officer of his Government agency whether or not he accepts it.

At times a private enterprise or other organization urges the appointment of one of its employees or members to a particular Government consultancy. The departments and agencies should discourage this practice. Any initiative in connection with the appointment of consultants, or in securing the names of qualified persons, should come from the Government.

*Abuse of Office.* An adviser or consultant shall not use his position in any way to coerce, or give the appearance of coercing, another person to provide any financial benefit to him or persons with whom he has family, business or financial ties.

*Gifts.* An adviser or consultant shall not receive or solicit anything of value as a gift, gratuity, or favor for himself or persons with whom he has family, business or financial ties if the acceptance thereof would result in, or give the appearance of resulting in, his loss of complete independence or impartiality in serving the Government.

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## INDUSTRY, LABOR, AGRICULTURE OR OTHER REPRESENTATIVES

It is occasionally necessary to distinguish between consultants and advisers who are special Government employees and persons who are invited to appear at a department or agency in a representative capacity to speak for firms or an industry, or for labor or agriculture, or for any other recognizable group of persons, including on occasion the public at large. A consultant or adviser whose advice is obtained by a department or agency from time to time because of his individual qualifications and who serves in an independent capacity is an officer or employee of the Government. On the other hand, one who is requested to appear before a Government department or agency to present the views of a non-governmental organization or group which he represents, or for which he is in a position to speak, does not act as a servant of the Government and is not its officer or employee. He is therefore not subject to the conflict of interest laws and is not within the scope of this memorandum. However, the section of this memorandum headed "Ethical Standards of Conduct" sets forth rules of ethics by which he should be guided even though not in the status of a Government official, and the agency before which he appears should call that section to his attention.

The following principles are useful in arriving at a determination whether an individual is acting before an agency in a representative capacity:

(1) A person who receives compensation from the Government for his services as an adviser or consultant is its employee and not a representative of an outside group. However, the Government's payment of travel expenses and a *per diem* allowance does not by itself make the recipient an employee.

(2) It is rare that a consultant or adviser who serves alone is acting in a representative capacity. Those who have representative roles are for the most part persons serving as members of an advisory committee or similar body utilized by a Government agency. It does not follow, however, that the members of every such body are acting as representatives and are therefore outside the range of the conflict of interest laws. This result is limited to the members of committees utilized to obtain the views of non-governmental groups or organizations.

(3) The fact that an individual is appointed by an agency to an advisory committee upon the recommendation of an outside group or organization tends to support the conclusion that he has a representative function.

(4) Although members of a governmental advisory body who are expected to bind outside organizations are no doubt serving in a representative capacity, the absence of authority to bind outside groups

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does not require the conclusion that the members are Government employees. What is important is whether they function as spokesmen for non-governmental groups or organizations and not whether they can formally commit them.

(5) Where an adviser or consultant is in a position to act as a spokesman for the United States or a government agency—as, for example, in an international conference—he is obviously acting as an officer or employee of the Government.

## ADMINISTRATIVE STEPS

All departments and agencies of the Government shall

(1) bring this memorandum to the attention of all special Government employees who serve them as advisers or consultants, of such other special Government employees as they may determine and of all regular employees who supervise such advisers, consultants and others;

(2) review their existing rules and regulations and make appropriate revisions or issue new rules and regulations to promote the policies set forth in this memorandum; and

(3) take such other measures as may be appropriate to impress upon the consultants, advisers and other special Government employees referred to in subdivision (1), and upon Government officials with whom they work, that they have a responsibility to avoid situations in which a potential conflict of interest may exist. These individuals should also be cautioned to avoid situations in which a special Government employee might be thought to be influencing governmental action in matters with regard to which he has a financial or other personal interest, or to be using inside information for private gain.

While it would be highly desirable, in order to minimize the occurrence of conflicts of interest, for departments and agencies of the Government to avoid appointing to advisory positions individuals who are employed or consulted by contractors or others having a substantial amount of business with that department or agency, I recognize that the Government has, of necessity, become increasingly concerned with highly technical areas of specialization and that the number of individuals expert in those areas is frequently very small. Therefore, in many instances it will not be possible for a department or agency to obtain the services of a competent adviser or consultant who is not in fact employed or consulted by such contractors. In addition, an advisory group may of necessity be composed largely or wholly of persons of a common class or group whose employers may benefit from the advice given. An example would be a group of university scientists advising on research grants to universities. Only in such a group can the necessary expertise be found. In all these circumstances, particular care should be exercised to exclude his employer's or clients' contracts or other transactions with the Government from the range of the consultant's or adviser's duties.

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## DISCLOSURE OF FINANCIAL INTERESTS

In order to carry out its responsibility to avoid the use of the services of consultants or advisers in situations where violations of the conflict of interest laws or of these regulations may occur, each department or agency of the Government shall, at the time of employment of a consultant or adviser, require him to supply it with a statement of all other employment. The statement shall list the names of all the companies, firms, State or local governmental organizations, research organizations and educational or other institutions which he is serving as employee, officer, member, director, adviser or consultant. In addition, it shall list such other financial information as the appointing department or agency shall decide is relevant in the light of the duties the appointee is to perform. The appointee may but need not be required to reveal precise amounts of investments. Each statement of private employment and financial interests should be forwarded to the chief legal officer of the department or agency concerned, for information and for advice as to possible conflicts of interest. In addition, each statement should be reviewed by those persons responsible for the employment of consultants and advisers to assist them in applying the criteria for disqualification which are set forth in this memorandum. Such statements should be kept current throughout the period during which the consultant is on the Government rolls.

## LEGAL INTERPRETATION

Whenever the chief legal officer of a department or agency or his designee, believes that a substantial legal question is raised by the employment of a particular consultant or adviser he should advise the Department of Justice, through the Office of Legal Counsel, in order to insure a consistent and authoritative interpretation of the law.

This memorandum shall be published in the FEDERAL REGISTER.

JOHN F. KENNEDY

THE WHITE HOUSE,  
May 2, 1963.

## APPENDIX

18 U.S.C. 202. *Definitions.*

(a) For the purpose of sections 203, 205, 207, 208 and 209 of this title the term "special Government employee" shall mean an officer or employee of the executive or legislative branch of the United States Government, of any independent agency of the United States or of the District of Columbia, who is retained, designated, appointed, or employed to perform, with or without compensation, for not to exceed one hundred and thirty days during any period of three hundred and sixty-five consecutive days, temporary duties either on a full-time or intermittent basis, or a part-time United States Commissioner. Notwithstanding the next preceding sentence, every person serving as a part-time local representative of a Member of Congress in the Member's home district or State shall be classified as a special Government

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employee. Notwithstanding section 29 (c) and (d) of the Act of August 10, 1956 (70A Stat. 632; 5 U.S.C. 30r (c) and (d)), a Reserve officer of the Armed Forces, or an officer of the National Guard of the United States, unless otherwise an officer or employee of the United States, shall be classified as a special Government employee while on active duty solely for training. A Reserve officer of the Armed Forces or an officer of the National Guard of the United States who is voluntarily serving a period of extended active duty in excess of one hundred and thirty days shall be classified as an officer of the United States within the meaning of section 203 and sections 205 through 209 and 218. A Reserve officer of the Armed Forces or an officer of the National Guard of the United States who is serving involuntarily shall be classified as a special Government employee. The terms "officer or employee" and "special Government employee" as used in sections 203, 205, 207 through 209, and 218, shall not include enlisted members of the Armed Forces.

(b) For the purposes of sections 205 and 207 of this title, the term "official responsibility" means the direct administrative or operating authority, whether intermediate or final, and either exercisable alone or with others, and either personally or through subordinates, to approve, disapprove, or otherwise direct Government action.

18 U.S.C. 203. *Compensation to Members of Congress, officers, and others in matters affecting the Government.*

(a) Whoever, otherwise than as provided by law for the proper discharge of official duties, directly or indirectly receives or agrees to receive, or asks, demands, solicits, or seeks, any compensation for any services rendered or to be rendered either by himself or another—

(1) at a time when he is a Member of Congress, Member of Congress Elect, Resident Commissioner, or Resident Commissioner Elect; or

(2) at a time when he is an officer or employee of the United States in the executive, legislative, or judicial branch of the Government, or in any agency of the United States, including the District of Columbia, in relation to any proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct and substantial interest, before any department, agency, court-martial, officer, or any civil, military, or naval commission, or

(b) Whoever, knowingly, otherwise than as provided by law for the proper discharge of official duties, directly or indirectly gives, promises, or offers any compensation for any such services rendered or to be rendered at a time when the person to whom the compensation is given, promised, or offered, is or was such a Member, Commissioner, officer, or employee—

Shall be fined not more than \$10,000 or imprisoned for not more than two years, or both; and shall be incapable of holding any office of honor, trust, or profit under the United States.

(c) A special Government employee shall be subject to subsection (a) only in relation to a particular matter involving a specific party or parties (1) in which he has at any time participated personally and substantially as a Government employee or as a special Government employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation or otherwise, or (2) which is pending in the department or agency of the Government in which he is serving: *Provided*, That clause (2) shall not apply in the case of a special Government employee who has served in such department or agency no more than sixty days during the immediately preceding period of three hundred and sixty-five consecutive days.

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18 U.S.C. 205. *Activities of officers and employees in claims against and other matters affecting the Government.*

Whoever, being an officer or employee of the United States in the executive, legislative, or judicial branch of the Government or in any agency of the United States, including the District of Columbia, otherwise than in the proper discharge of his official duties—

(1) acts as agent or attorney for prosecuting any claim against the United States, or receives any gratuity, or any share of or interest in any such claim in consideration of assistance in the prosecution of such claim, or

(2) acts as agent or attorney for anyone before any department, agency, court, court-martial, officer, or any civil, military, or naval commission in connection with any proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct and substantial interest—

Shall be fined not more than \$10,000 or imprisoned for not more than two years, or both.

A special Government employee shall be subject to the preceding paragraphs only in relation to a particular matter involving a specific party or parties (1) in which he has at any time participated personally and substantially as a Government employee or as a special Government employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation or otherwise, or (2) which is pending in the department or agency of the Government in which he is serving: *Provided*, That clause (2) shall not apply in the case of a special Government employee who has served in such department or agency no more than sixty days during the immediately preceding period of three hundred and sixty-five consecutive days.

Nothing herein prevents an officer or employee, if not inconsistent with the faithful performance of his duties, from acting without compensation as agent or attorney for any person who is the subject of disciplinary, loyalty, or other personnel administration proceedings in connection with those proceedings.

Nothing herein or in section 203 prevents an officer or employee, including a special Government employee, from acting, with or without compensation, as agent or attorney for his parents, spouse, child, or any person for whom, or for any estate for which, he is serving as guardian, executor, administrator, trustee, or other personal fiduciary except in those matters in which he has participated personally and substantially as a Government employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or which are the subject of his official responsibility, provided that the Government official responsible for appointment to his position approves.

Nothing herein or in section 203 prevents a special Government employee from acting as agent or attorney for another person in the performance of work under a grant by, or a contract with or for the benefit of, the United States provided that the head of the department or agency concerned with the grant or contract shall certify in writing that the national interest so requires.

Such certification shall be published in the FEDERAL REGISTER.

Nothing herein prevents an officer or employee from giving testimony under oath or from making statements required to be made under penalty for perjury or contempt.

18. U.S.C. 207. *Disqualification of former officers and employees in matters connected with former duties or official responsibilities; disqualification of partners.*

(a) Whoever, having been an officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of

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the District of Columbia, including a special Government employee, after his employment has ceased, knowingly acts as agent or attorney for anyone other than the United States in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter involving a specific party or parties in which the United States is a party or has a direct and substantial interest and in which he participated personally and substantially as an officer or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, while so employed, or

(b) Whoever, having been so employed, within one year after his employment has ceased, appears personally before any court or department or agency of the Government as agent, or attorney for, anyone other than the United States in connection with any proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter involving a specific party or parties in which the United States is a party or directly and substantially interested, and which was under his official responsibility as an officer or employee of the Government at any time within a period of one year prior to the termination of such responsibility—

Shall be fined not more than \$10,000 or imprisoned for not more than two years, or both: *Provided*, That nothing in subsection (a) or (b) prevents a former officer or employee, including a former special Government employee, with outstanding scientific or technological qualifications from acting as attorney or agent or appearing personally in connection with a particular matter in a scientific or technological field if the head of the department or agency concerned with the matter shall make a certification in writing, published in the FEDERAL REGISTER, that the national interest would be served by such action or appearance by the former officer or employee.

(c) Whoever, being a partner of an officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, including a special Government employee, acts as agent or attorney for anyone, other than the United States, in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct and substantial interest and in which such officer or employee of the Government or special Government employee participates or has participated personally and substantially as a Government employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation or otherwise, or which is the subject of his official responsibility—

Shall be fined not more than \$5,000, or imprisoned not more than one year, or both.

A partner of a present or former officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia or of a present or former special Government employee shall as such be subject to the provisions of sections 203, 205, and 207 of this title only as expressly provided in subsection (c) of this section.

18 U.S.C. 208. *Acts affecting a personal financial interest.*

(a) Except as permitted by subsection (b) hereof, whoever, being an officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, including a special Government employee, participates personally and substantially as a Government officer or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization in which he is serving

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as officer, director, trustee, partner or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest—

Shall be fined not more than \$10,000, or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply (1) if the officer or employee first advises the Government official responsible for appointment to his position of the nature and circumstances of the judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by such official that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from such officer or employee, or (2) if, by general rule or regulation published in the FEDERAL REGISTER, the financial interest has been exempted from the requirements of clause (1) hereof as being too remote or too inconsequential to affect the integrity of Government officers' or employees' services.

18 U.S.C. 209. *Salary of Government officials and employees payable only by United States.*

(a) Whoever receives any salary, or any contribution to or supplementation of salary, as compensation for his services as an officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, from any source other than the Government of the United States, except as may be contributed out of the treasury of any State, county, or municipality; or

Whoever, whether an individual, partnership, association, corporation, or other organization pays, or makes any contribution to, or in any way supplements the salary of, any such officer or employee under circumstances which would make its receipt a violation of this subsection—

Shall be fined not more than \$5,000 or imprisoned not more than one year, or both.

(b) Nothing herein prevents an officer or employee of the executive branch of the United States Government, or of any independent agency of the United States, or of the District of Columbia, from continuing to participate in a bona fide pension, retirement, group life, health or accident insurance, profit-sharing, stock bonus, or other employee welfare or benefit plan maintained by a former employer.

(c) This section does not apply to a special Government employee or to an officer or employee of the Government serving without compensation, whether or not he is a special Government employee, or to any person paying, contributing to, or supplementing his salary as such.

(d) This section does not prohibit payment or acceptance of contributions, awards, or other expenses under the terms of the Government Employees Training Act (Public Law 85-507, 72 Stat. 327; 5 U.S.C. 2301-2319, July 7, 1958).

**Part 2. Personnel Administration****Chapter 5. Employee Activities and Performance****Section 4****REPRESENTATIVE ACTIVITIES OF FORMER EMPLOYEES**

The following policies and procedures governing representative activities of former employees before the OA are set forth pursuant to the general Agency policy enunciated in Volume II, Part 3 of the OA Manual.

**APPLICABILITY**

The provisions of this section are applicable generally to all present and former employees of the OA, and the divisions, branches and units thereof, and to former employees of the Reconstruction Finance Corporation and the General Services Administration (including the Federal Works Agency) with respect to the functions of these agencies which were transferred to the Housing and Home Finance Administrator by Reorganization Plans 17, 22, and 23 of 1950.

**STATUTORY PROHIBITION**

Title 18 U.S.C. section 284 provides that no former officer or employee of the United States shall, within a period of two years after termination of such employment, prosecute, or act as counsel, attorney or agent for prosecuting any claim against the United States involving any subject matter directly connected with such person's former employment.

**AUTHORIZATION TO APPEAR IN REPRESENTATIVE CAPACITY**

In addition to the foregoing statutory prohibition, no former employee or officer of the HHFA or anyone knowingly acting on behalf of or under the direct supervision of such person may, within a period of two years after the termination of such employment, appear in a representative capacity before the OA unless, in each matter, he obtains the prior approval of the Administrator or a person authorized by the Administrator to grant such approval.

**Definitions**

The term "representative capacity" shall mean the function of rendering representative services to any person, firm, corporation, or association. "Representative services" does not include a request for, or the making of inquiries concerning, information which is available to the general public or the transmission or submission, in a routine manner, of documents, forms or other information for usual or normal processing.

**Form of Request**

Requests by former officers or employees to appear in a representative capacity before the OA may be made by letter, in duplicate, addressed

to the head of the division before which such former officer or employee desires to appear. Each such request must set forth, under oath, the following information:

(1) A brief description of his duties and functions while employed with the HHFA, and the duration of his employment;

(2) The subject and scope of the matter in which he desires to appear in a representative capacity;

(3) Whether the consideration of the matter would have devolved upon any division, branch, or other unit in which he was employed, either during or subsequent to his employment therein;

(4) Whether while he was employed with the HHFA, the matter was pending therein; and, if it was so pending:

(i) Whether he gave personal consideration to it, or had any knowledge of the facts involved therein while so employed; and

(ii) Whether he is assisting or will be assisted by any person who has personally considered it or gained personal knowledge of the facts thereof while employed by the HHFA.

#### **Basis for Denial**

No approval to appear in a representative capacity before the OA will be granted if such appearance would be in violation of law or otherwise contrary to the public interest, or might involve an improper exercise of personal influence by the applicant.

#### **Violations**

Any former officer or employee violating the provisions of this section shall be barred from appearing in a representative capacity before the OA for such time as the Administrator may prescribe.

#### **PROCEDURE FOR HANDLING REQUESTS**

The director of the division to which a request to appear is made is authorized to approve or deny the request. However, an appeal from an adverse decision may be taken to the Administrator.

When a request is received, the director of the division concerned shall forward the extra copy to the Personnel Branch, where the information on the applicant's letter will be checked against his official employment record. The Personnel Branch shall report its findings to the division director, and offer any other pertinent information or advice on the request.

The division director shall also solicit information and advice in such cases from the division or office where the applicant was formerly employed; from the Division of Law, in appropriate cases; and from any other sources which he deems necessary or suitable for further inquiry.

On the basis of the report from the Personnel Branch and from the information and advice secured through further inquiries, the division

director shall approve or deny the applicant's request, and shall notify the applicant of such action.

**Appeals**

Whenever a request is denied, the division director shall, in his reply to the applicant, state the reason or reasons for his decision; and he shall inform the applicant that he may, within 10 days, ask for a review of the decision by the Administrator.

If the applicant whose request has been denied asks for a review by the Administrator, the entire request file shall be forwarded to the Deputy Administrator, who will review the case and make his recommendation to the Administrator. When the Administrator has indicated his decision, the case file will be returned to the division director, who will prepare a letter for the Administrator's signature notifying the applicant of the Administrator's decision.

**File Record**

Upon conclusion of the matter on which the request to appear was made, the division director shall attach the original request, and a copy of all subsequent correspondence on the request, with the material on which the appearance was made. The remainder of the request file, with copies of all correspondence and any pertinent comments, shall be forwarded to the Personnel Branch for filing.

## **Section 5**

### **PROBATIONARY AND TRIAL PERIODS**

Probationary and trial periods are an extension of the examining process. They permit the Agency, through its supervisors, to evaluate employee potential and on-the-job performance as a further check against written or unassembled examinations and oral interviews used prior to the original selection. Employees may be separated during the probationary or trial period without recourse to the usual separation and appeal procedures<sup>1</sup> if work performance or conduct is not satisfactory to the Agency.

#### **PROBATIONARY PERIOD**

Each new employee selected from a civil service register of eligibles and given a career-conditional appointment must complete a probationary period. An employee converted to a career or career-conditional appointment must also complete a probationary period, although certain previous service may be counted toward the completion of this required probation.

The probationary period for full-time employees is one year, consisting of 52 weeks of 40 hours each, or 2080 hours. Part-time employees must serve the equivalent number of hours.

#### **Creditable Service Toward Completion of Probation**

All prior service which meets the specifications in Chapter S-2, FPM, shall be counted toward completion of a probationary period.

Leave with pay, leave without pay, which does not exceed 22 working days, and furlough for military service, taken by a full-time employee is creditable toward the completion of the probationary period.

The promotion, demotion, reassignment, or transfer of a career or a career-conditional employee before he has completed the probationary period is subject to completion of the probationary period in the new position.

#### **Effect of Completion of the Probationary Period**

Upon completion of the probationary period an employee automatically has these additional rights:

- (1) He may not be separated except for such cause as will promote

<sup>1</sup> See Appendix B to Section 5, Chapter S-1, FPM.

the efficiency of the service and he has the right to appeal to the Civil Service Commission.

- (2) He may be promoted, transferred, reassigned, or reinstated, without taking a competitive examination, subject to the conditions prescribed by the Civil Service rules and regulations. He may, of course, be required to pass a noncompetitive examination when such an examination is required to enter a new occupational field.

#### **TRIAL PERIOD**

Any employee who has received an unlimited appointment to a Schedule A position and who has not previously completed a trial or probationary period, shall serve a one year trial period.

#### **PROCEDURE UPON APPOINTMENT**

After receiving an appointment or being converted to an appointment requiring a probationary or trial period, an employee will be informed by memorandum from the Director of Personnel of the purposes of such period, and dates it will begin and end. A copy of the memorandum to the employee will be sent to the employee's supervisor.

#### **Supervisory Responsibility**

During the probationary or trial period the supervisor is responsible for seeing that the employee is given a full and fair trial.

Specifically, the supervisor shall:

- (1) Explain the standards of performance which the employee will be expected to meet.
- (2) Observe carefully the employee's conduct, general character traits, and performance.
- (3) Make every effort to understand the employee's on the job problems, and give him proper job guidance.
- (4) Study the employee's potentialities and determine his suitability for government work.
- (5) Take proper steps to separate the employee if, after a full and fair trial, it is determined that his performance or conduct make him unfit for satisfactory service.
- (6) Certify to the satisfactory completion of a probationary or trial period according to the procedures of this Section for satisfactory employees.

#### **Certification of Satisfactory Employees**

Prior to the end of the tenth month of an employee's probationary or trial period, the Division of Personnel will notify the employee's supervisor, in writing, of the approaching completion date of the period and of the certification required. In the space provided on this notice, the

supervisor shall certify as to the employee's satisfactory performance, conduct, and general character, and not later than the completion of the tenth month of service return the notice to the Division of Personnel.

Through supervisory channels, the Director of Personnel will notify the employee in writing, upon the satisfactory completion of his probationary or trial period.

**Separations<sup>1</sup>****Due to Unsatisfactory Performance or Conduct**

If an employee serving a probationary or trial period demonstrates by his work performance or conduct his unfitness or lack of qualifications for continued Federal service, his supervisor shall initiate separation action. Such action, in the form of a brief memorandum, shall be taken as soon as these facts become apparent, but not later than the completion of the tenth month of service. The memorandum, recommending separation action shall (1) explain why the employee is unsatisfactory and (2) outline the measures that have been taken toward correction. It shall be addressed to the Director of Personnel and shall provide space for the approval of the head of the constituent unit or office, or his designee.

The effective date of the separation notice shall not be later than the completion date of the normal probationary or trial period and it will be issued to the employee prior to separation. If the effective date of the separation occurs after the normal end of the probationary period, procedures under Part 9 or Part 22, as appropriate, of the Civil Service Commission Regulations must be followed in effecting the employee's separation, even though the separation notice has been delivered to the employee before the end of the period.

It is the Agency's policy to furnish every separated employee with sufficient factual information as to the deficiencies which led to his separation.

While good management practices make it desirable to warn an employee of his deficiencies and to aid him in overcoming his weaknesses, failure on the part of the supervisor to do this shall not preclude his separation if necessary.

**Due to Conditions Arising Prior to Appointment**

When an employee during his probationary or trial period fails to qualify for government service as a result of character investigation or because of information which, had it been known, would have prevented him from receiving the appointment in the first instance, the usual separation procedures as described in Section 9.202 of the Civil Service Rules and Regulations will be followed.

**Appeal Rights**

An employee separated during his probationary or trial period has no appeal rights within the OA. However, he may submit a written request

<sup>1</sup> See Appendix B to Section 5, Chapter S-1, FPM.

to the Director of Personnel within 48 hours of the receipt of the notice for a review of the action. If the Director of Personnel concurs in the separation the effective date will not be altered.

An employee separated during his probationary or trial period has no appeal rights to the Civil Service Commission unless, in his opinion, the adverse action was taken for political reasons not required by law or for other prohibited reasons of a discriminatory character.

An employee separated during his probationary or trial period due to conditions arising prior to appointment has the additional right of appeal to the Civil Service Commission on procedural grounds, as provided in Section 9.301 of the Civil Service Rules and Regulations (Chapter Z-1, FPM).

**Documentation**

A copy of all correspondence relating to an employee's probationary or trial period is filed in his official personnel folder.

## **Section 6**

### **FINANCIAL RESPONSIBILITIES OF EMPLOYEES**

The Housing and Home Finance Agency expects its employees to conduct their financial affairs in accordance with accepted ethical standards. Those employees who are paid from funds which are not subject to customary legal means of garnishment are under special obligation.

#### **POLICY**

The way in which an individual employee manages his financial affairs becomes a matter of concern to the Agency when:

- (1) The attitude of the employee toward his personal financial obligations tends to bring the Federal service into public disrepute.
- (2) The Agency is placed under significant administrative expense because of complaints of creditors, salary garnishment, or levy against salary.
- (3) Financial irresponsibility is reflected in job performance, or when an employee in a position of trust makes himself subject to coercion.
- (4) The employee fails to meet his tax or other obligations to the Federal, state, or local governments.

#### **INDEBTEDNESS TO GOVERNMENTAL UNITS**

Whenever the Agency receives formal notice of tax delinquency or other similar government indebtedness on the part of an employee, the employee will be required to explain such delinquency and to make satisfactory arrangements with the governmental jurisdiction involved for the liquidation of the indebtedness. Non-payment of governmental obligations will be considered a very serious indicator of financial irresponsibility.

When an employee of this Agency owes Federal taxes or other debts to the Government, he should pay such debts when due or make satisfactory arrangements for payment with the agency concerned.

It is the policy of the Federal Government to cooperate with state and local Governments in taxation matters. As a part of this cooperation, the Agency upon request, furnishes state and local taxing jurisdictions with employee earnings information.

#### **OTHER INDEBTEDNESS**

The HHFA will not act as agent for the collection of claims of debts against its employees. When a claim is received from a non-government source it will be brought to the attention of the employee with the expectation that he take the matter up with the creditor, and if the claim is just, arrange a satisfactory settlement.

Willful neglect in debt matters reflects on the fitness of an employee and will be sufficient cause for administrative action.

#### **EVALUATION FACTORS**

In determining what action is appropriate under policies of this Section, it will be assumed that the employee intends to meet his just financial obligations, and that in most instances the failure to do so is the result of poor management or misfortune rather than willful neglect or dishonesty. Poor financial management, however, may subject the employee to disciplinary action when it results in criticism of the Agency, administrative expense, or below standard job performance. Severe personal misfortune will be considered as a mitigating circumstance in the evaluation of the financial responsibilities of an employee.

Firms or persons who supply goods or services are not relieved of their responsibility for investigation before extending credit, and over extension of credit will be considered as an evaluation factor in deciding the degree of disciplinary action to be taken, if any.

When a claim of debt is disputed by an employee, the Agency can not undertake to determine whether or not the debt is just, nor will any part of this policy be interpreted or applied to coerce an employee into the payment of unjust or disputed debts or to prevent an employee from the exercise of his legal rights and free access to the courts or other legal processes in settling his financial difficulties without prejudicing his status as an employee.

#### **DISCIPLINARY ACTIONS**

Neglect in debt matters may be sufficient cause for disciplinary action. Such disciplinary action may range from official reprimand to dismissal in accordance with the evaluation factors above and the facts of the individual case.

Indebtedness to Federal, State, or local governments are considered a particularly serious matter. The nature of the disciplinary action will reflect this seriousness. Except in cases of severe personal misfortune, a failure to pay Federal income taxes which results in a levy against salary will in all cases subject the employee to disciplinary action.

#### **PROCESSING OF LEVIES AND COMPLAINTS**

Any formal notice of tax delinquency or garnishment shall be forwarded to the OA Fiscal Officer who will arrange for necessary pay roll action and notify the Personnel Branch. Any other claim or complaint shall be referred to the Personnel Branch by the receiving office.

#### **RECORDS**

Correspondence and other records related to indebtedness or financial counseling are confidential and are not, in general, part of the employee's Official Personnel Folder. However, any administrative action taken under the provisions of this Section will be reflected in the employees' Official Personnel Folder.

## Section 1

### NORMAL TOURS OF DUTY

The administrative workweek for the Central Office shall be 40 hours. The tour of duty shall be 5 days of 8 hours each from Monday through Friday.

Normal duty hours shall extend from 8:45 a.m. to 5:15 p.m. One half hour shall be allowed for a lunch period. When it is administratively desirable to establish hours of duty for an employee or groups of employees differing from the normal duty hours established in this Section, they may be established by heads of constituent units and divisions with the concurrence of the Director of Personnel.

#### PART-TIME AND INTERMITTENT EMPLOYEES

In order for a part-time or intermittent employee to earn annual and sick leave they must be scheduled for work in advance. The schedule must provide for duty in each administrative workweek and must indicate specific dates or days and hours of duty within the administrative workweek. Generally, such schedules must be established at least one pay period in advance and cover at least one pay period. (See Sections 2-7-3 and 2-7-4 for leave accrual rates.)

Regular tours of duty for intermittent employees which will permit the accrual of leave will be established by heads of constituent units and divisions with the concurrence of the Director of Personnel. Copies of schedules for intermittent employees should be furnished the Payroll Section, Division of Finance and Accounts and the Division of Personnel. For part-time employees the tour of duty will be recorded on the *Notification of Personnel Action*, Standard Form 50, at the time of employment or pay adjustment.

#### Legal Holidays

The holidays enumerated below shall be observed as non-workdays:

New Year's Day	January 1
Inauguration Day <sup>1</sup>	January 20
Washington's Birthday	February 22
Memorial Day	May 30
Independence Day	July 4
Labor Day	1st Monday in September
Veterans' Day	November 11
Thanksgiving Day	4th Thursday in November
Christmas Day	December 25

Whenever a holiday observed as a non-workday falls on a Saturday, the holiday shall be observed on the Friday immediately preceding such Saturday.

<sup>1</sup> Legal holiday only in the District of Columbia, Montgomery and Prince Georges Counties, Maryland, Arlington and Fairfax Counties, Virginia, and the cities of Alexandria and Falls Church, Virginia.

Whenever a holiday observed as a non-workday falls on a Sunday, the holiday shall be observed the following Monday, except for Inauguration Day, which shall be as designated at that time.

Additional non-workdays may be prescribed by statute or Executive order. Announcements of such non-workdays will be issued in the Staff Bulletin.

#### **ATTENDANCE**

Employees are expected strictly to observe the normal duty hours established for their office. Occasional tardiness of less than one hour may be excused by supervisors, but habitual tardiness of whatever duration shall be charged to leave and in flagrant cases shall be cause for disciplinary action.

## **Section 2**

### **OVERTIME AND OTHER PREMIUM PAY WORK**

The Federal Employees Pay Act of 1945, as amended, provides for premium compensation at legislatively authorized rates for the following classes of work performed by full-time employees, to the extent that the payment of such premium compensation will not cause the aggregate rate of compensation for any employee to exceed the rate of \$15,030 per annum, or \$578.40 for a given biweekly pay period.

- (1) Work which is officially ordered or approved in excess of forty hours in any administrative workweek.
- (2) Work performed on holidays designated by Federal statute or Executive Order, if the employee was officially assigned to duty on such a holiday and if the holiday falls within his basic forty-hour workweek.
- (3) Work performed between the hours of 6:00 p.m. and 6:00 a.m. when an employee's prescribed regular tour of duty or any part thereof falls between such hours.

The Act further provides that, at the discretion of the head of the agency concerned, full-time employees may, if they so request, be granted time off from duty in lieu of payment for irregular or occasional overtime work.

This Section prescribes policies and procedures governing the authorization and payment of official overtime work, work on legal holidays, and regularly scheduled night work compensable at premium rates of pay.

#### **EMPLOYEES INELIGIBLE FOR PREMIUM COMPENSATION**

The Comptroller General has ruled that the following classes of employees are not full-time employees within the meaning of the Federal Employees Pay Act of 1945, as amended, regardless of the number of hours of work they may perform, and therefore are ineligible for premium compensation under the Act:

- (1) Experts and consultants appointed pursuant to Section 15 of the Act of August 2, 1946 (Public Law 600).
- (2) Classified employees appointed on a "when actually employed" basis for whom no regular administrative workweek of 40 hours has been established.

#### **AUTHORIZING OFFICERS**

The heads of constituent units and the following officials have been authorized to order or approve official overtime work or work on a legal holiday by full time employees working under their supervision, subject to the provisions of this Section:

- (1) Community Facilities Commissioner
- (2) Urban Renewal Commissioner
- (3) Deputy Administrator

- (4) General Counsel
- (5) Assistant Administrator (Administration)
- (6) Assistant Administrator (Congressional Liaison)
- (7) Assistant Administrator (Housing for the Elderly)
- (8) Assistant Administrator (International Housing)
- (9) Assistant Administrator (Program Policy)
- (10) Assistant Administrator (Public Affairs)
- (11) Assistant Administrator (Urban Transportation)
- (12) Director, Compliance Division
- (13) Director, Community Disposition Staff
- (14) Executive Secretary, Voluntary Home Mortgage Credit Program
- (15) Director, Audit Division

Authorized officials may establish tours of duty which include regularly scheduled night work only with the concurrence of the Director of Personnel, as provided in Section 2-7-1 of Volume III.

#### **AUTHORIZATION AND SIGNATURE CARDS**

The authority to order or approve official overtime work or work on a legal holiday may be redelegated. Each redelegation shall be made in writing on Form H-242, *Authorization and Signature Card*, which shall be fully executed to indicate the authority of the officer to whom the redelegation is made and to show his official autographic signature. The executed Form H-242 shall be transmitted to the Division of Finance and Accounts.

Whenever the authority of an officer to whom such a redelegation of authority has been made is revoked, or his services are terminated, the authorized officer who made the redelegation of authority shall notify the Division of Finance and Accounts of the fact in writing.

#### **OVERTIME**

##### **Policy**

It is the policy of the Office of the Administrator that supervisors shall plan and schedule the work of employees so that their work will be completed during the basic forty-hour workweek. Overtime should not be ordered to accomplish special projects which could be accomplished during the basic workweek by rescheduling other work of a less urgent nature. However, subject to the limitation with respect to overtime by employees in grade GS-12 and above, prescribed below, authorized officers may direct the performance of irregular or occasional overtime by any employee or employees in instances when it is determined that (1) the overtime is necessary to meet deadlines in work schedules or other conditions beyond their control or (2) to overcome peak workloads of a temporary nature that do not justify the hiring of additional personnel. The Office of the Administrator will compensate employees for overtime work so ordered, either by overtime pay or by granting them compensatory leave, in accordance with the provisions of this Section.

##### **Overtime by Employees in Grade GS-12 and Above**

In general, it is assumed that professional employees in grades GS-12 and above will devote such time, including voluntary overtime,

to their duties as is required to discharge them in a creditable manner. However, in offices where the pressure of work is such as to make frequent overtime unavoidable, it is recognized that a portion of such time should be compensated so that employees do not suffer out-of-pocket expense for extra meals and similar costs. Accordingly, in such cases overtime may be authorized and directed to be performed in accordance with this Section by employees in Grades GS-12 and above as follows: 2 hours for a Saturday, Sunday, or holiday but only one day in any one week-end, and not to exceed 1 hour on any regular work day.

No further overtime pay or time off for overtime work will be allowed to employees in Grade GS-12 and above except in very unusual cases pursuant to specific approval by the Assistant Administrator (Administration). Such approvals will be granted only on the basis of memorandum requests submitted prior to the performance of the work. Each such request shall be prepared and submitted in duplicate over the signature of the authorizing officer concerned and shall contain a full explanation of the need for the overtime work, the name and grade of the employee or employees who will be directed to perform the work if approval is granted, and the approximate number of hours of overtime which will be required. The memorandum shall contain a space for the approval of the Assistant Administrator (Administration).

The Assistant Administrator (Administration) will return the original and duplicate copy of each approved or rejected memorandum request for the approval of overtime work to the authorizing officer concerned. The original of each approved memorandum request shall be transmitted to the Division of Finance and Accounts together with the S.F. 1130, *Time and Attendance Report*,<sup>1</sup> and the Form H-200.2, *Approval of Overtime Work*, on which the particular overtime is reported, as hereinafter provided.

#### **Computation of Overtime Employment**

##### **Overtime Employment Unit**

Overtime employment shall be computed on the basis of periods of 30 minutes or multiples thereof and shall be reported accordingly. Periods of less than 30 minutes shall be disregarded.

##### **Leave with Pay**

Absence from duty on authorized leave with pay during the basic workweek, including authorized absences on legal holidays, non-work days, and days of compensatory time off shall not have the effect of reducing the amount of overtime compensation to which an employee may be entitled during an administrative workweek.

##### **Leave Without Pay**

For any period of leave without pay within the basic 40-hour workweek, an equal period of service performed outside the basic workweek,

<sup>1</sup> Section 2-7-7, Time and Attendance Reports.

but during the same administrative workweek, must be substituted and paid for at the rate applicable to the employee's basic workweek, before any remaining periods of service can be paid for at the overtime rate.

#### **Call-back Overtime**

Any period of authorized overtime performed by an employee on a day outside his scheduled basic workweek, or for which he is called back to his place of employment after the close of business on a scheduled workday, shall be considered to be at least two hours in duration for the purpose of computing overtime employment hours.

#### **Time in Travel Status**

Time spent by an employee in an official travel status outside his regularly scheduled hours of work, including days outside his scheduled basic workweek, may not be considered as hours of employment entitling the employee to either regular compensation or overtime compensation.

#### **Voluntary Overtime**

Voluntary overtime is overtime worked at the option of the employee which has not been officially authorized and approved in accordance with the provisions of this Section. Such overtime is not compensable either by overtime pay or by grants of compensatory time off. No records of voluntary overtime shall be maintained.

#### **Computation of Overtime Pay**

##### **Overtime Pay Unit**

Overtime pay will be computed on the basis of periods of 30 minutes or multiples thereof.

##### **Overtime Pay Rates**

An employee whose basic per annum salary rate does not exceed the minimum scheduled rate of Grade GS-9 will be paid for authorized overtime at the hourly rate of one and one-half times his basic hourly salary rate.

An employee whose basic per annum salary rate exceeds the minimum scheduled rate of Grade GS-9 will be paid for authorized overtime at the hourly rate of one and one-half times the basic hourly salary rate at the minimum scheduled rate of Grade GS-9.

##### **Effect of Night Pay Differential on Overtime or Holiday Pay**

The night pay differential allowed an employee who is assigned to regularly scheduled night work shall not be included in the basic per annum salary rate used in computing any overtime or holiday pay to which he may be entitled.

##### **Effect of Cost-of-Living Allowance on Overtime or Other Premium Pay**

The territorial cost-of-living allowance paid to an employee assigned to duty at a territorial post outside the continental United States shall not be included in the basic per annum salary rate used in computing any overtime or other premium pay to which he may be entitled.

**Effect of Annuity Deductions on Overtime or Other Premium Pay**

The gross per annum salary rate of the position held by a reemployed annuitant (rate prior to the annuity deduction required to be made from his salary) shall be used in computing any overtime or other premium pay to which he may be entitled.

**Compensatory Leave**

Any employee may be permitted to take compensatory leave in lieu of overtime pay for authorized occasional or irregular overtime work if he so requests, subject to the approval of his leave approving officer and the limitations hereinafter stated. However, an employee who is prohibited by reason of the aggregate compensation limitation (i.e., compensation at the rate of \$15,030 per annum or \$578.40 for a given biweekly pay period) from receiving overtime compensation may not be granted compensatory leave in lieu of such prohibited overtime compensation. Such leave shall be granted at the rate of one hour off for each hour of overtime worked for which the employee would otherwise be entitled to overtime pay.

An employee's request to take compensatory leave in lieu of overtime pay shall be made not later than the last workday of the pay period in which the overtime is performed and shall be recorded on the *Time and Attendance Report* on which his attendance and leave for the particular pay period are reported.

The total accumulation of compensatory leave for any employee shall not exceed 40 hours at any one time. Accordingly, if the amount of compensatory leave reported for credit to an employee will result in a balance of compensatory leave to his credit in excess of 40 hours, the timekeeper shall credit the employee with overtime work for which payment shall be made for the excess number of hours, regardless of whether the employee has requested compensatory leave in lieu of overtime pay.

Compensatory leave shall be scheduled by employees' leave approving officers so as to permit liquidation of earned leave credits within 90 calendar days of the date on which such credits were earned. Accordingly, timekeepers shall maintain records of compensatory leave credits to the accounts of employees and shall indicate for each such credit the expiration date of the limitation period. If an employee fails to take compensatory leave in the amount of a particular leave credit prior to the expiration date of the limitation period, the timekeeper shall request that payment for the leave be made to the employee. The request shall be made by reporting the total number of hours for which payment is to be made on the employee's *Time and Attendance Report* for the reporting period immediately following that in which the use limitation period expired.

**Overtime Authorization and Approval Procedure**

When it is determined that it is necessary for an employee or group of employees to perform overtime work, the officer or employee responsible for the work shall secure authority which may be oral or written for its performance on an overtime basis from an officer who has been delegated authority to order or approve overtime work by the particular

staff unit or personnel concerned. Each such request should be for a limited period covering, at the most, a single pay period, and should indicate the nature of the deadline project or workload problem involved, the grades of the employees who will perform the work, and the estimated overtime which will be required.

There shall be maintained on a daily basis a detailed memorandum record of the overtime worked by each authorized employee. Following the completion of all overtime work required in the pay period. Form H-200.2, *Approval of Overtime Work*, shall be prepared for the approval signature of the officer who authorized the work, in accordance with the detailed instructions hereinafter provided.

The authorizing officer shall review the Form H-200.2, *Approval of Overtime Work*, to assure its conformance with his authorization and, if he finds it in order, shall enter his approval signature in the space provided and return the approved form to the timekeeper for the staff unit which performed the overtime. The timekeeper shall transcribe the approved hours of overtime worked by each employee (except overtime worked by employees borrowed from other reporting units) on the *Time and Attendance Report* for the pay period and indicate whether the overtime, in each case, shall be paid for at overtime rates or credited as compensatory time for which leave will be granted. The approved Form H-200.2 shall be forwarded to the Division of Finance and Accounts with the *Time and Attendance Report*.

If overtime work has been authorized for performance on the last Friday of the pay period or on the following Saturday, the *Time and Attendance Report* and supporting Form H-200.2 shall not be forwarded to the Division of Finance and Accounts until completion of the work in order that firm entries of the overtime work may be made on both records.

#### **Reports of Overtime Performed by Borrowed Employees**

If an employee is borrowed from one time and attendance reporting unit to perform overtime work for another reporting unit, his overtime shall be recorded and approved on the Form H-200.2, *Approval of Overtime Work*, prepared by the borrowing unit. An additional copy of the Form H-200.2 shall be prepared by the borrowing unit and transmitted to the timekeeper for the lending unit, in order that the overtime work performed by the borrowed employee may be correctly transcribed on the *Time and Attendance Report* on which his regular attendance and leave are recorded.

#### **Preparation of Form H-200.2, Approval of Overtime Work**

A Form H-200.2, *Approval of Overtime Work*, shall be prepared from the memorandum record of overtime worked pursuant to each authorization, in accordance with the attached Exhibit A and the following instructions which are numbered to correspond with the numbered entries on the exhibit:

- (1) *Reporting Unit*: Enter the name of the constituent unit or division, when appropriate, and the name of the branch, staff, or other reporting group exactly as it is shown on the *Time and Attendance Report*.

- (2) *Pay Period No.*: Enter the beginning and ending dates of the pay period during which the overtime was performed.
- (3) *Name of Employee*: List, in alphabetical sequence with the last name first, the name of each employee of the unit who performed overtime work.
- (4) *Borrowed Employees*: If employees were borrowed from other units to perform overtime work, list their names separately, in alphabetical sequence with the last name first, under the caption "Borrowed Employees."
- (5) *Lending Unit*: Opposite the name of each borrowed employee, enter the name of the unit from which he was borrowed, in order that the overtime work approved on this form may be readily compared by the Division of Finance and Accounts with that reported on the *Time and Attendance Report* of the lending unit.
- (6) *Hours of Overtime Worked*: Enter in the appropriate daily blocks opposite each employee's name the exact number of hours of overtime (including fractions of one-half hour) which he worked each day.
- (7) *Total*: Enter the total number of hours of overtime worked by each employee during the pay period.
- (8) *Total*: Enter the total number of hours of overtime worked by all employees each day of the pay period.
- (9) *Cross-total*: Enter the total number of hours of overtime worked by all employees during the pay period (the total of column (7) which should agree with the total of entries on line (8)).
- (10) *Justification for Overtime*: Enter a brief statement indicating the nature of the deadline project or workload problem which occasioned the overtime.
- (11) *Name and Title*: Secure the approval signature and title of the authorizing officer.

**HOLIDAY WORK**

Any employee who is excused from duty because of a holiday<sup>1</sup> or a day observed in lieu thereof which falls within his basic 40-hour work-week shall be entitled to his basic compensation for that day.

Any employee who is assigned to duty on a holiday or on a day observed in lieu therefore which falls within his basic 40-hour work-week shall be compensated at his rate of basic compensation plus premium compensation for not more than 8 hours of such work at a rate equal to his rate of basic compensation.

The premium pay to which an employee is entitled for authorized work on a holiday shall not be considered in determining the amount of any overtime pay to which the employee may be entitled for authorized work in excess of 8 hours on the holiday.

Any period of authorized duty performed by an employee on a

<sup>1</sup> See Section 2-7-1, Normal Tours of Duty.

holiday or on a day observed in lieu thereof shall be considered to be at least two hours in duration for purposes of compensation and shall be reported accordingly.

Authorized work on holidays which do not fall within an employee's basic 40-hour work week shall be treated as authorized overtime for compensation purposes and shall be reported as overtime work rather than as holiday work.

Holiday work shall be authorized in accordance with the procedure for authorizing overtime and shall be approved on Form H-200.2, *Approval of Overtime Work*, together with overtime work, if any, for the pay period in which it was performed. However, whenever such holiday work falls within an employee's basic 40-hour workweek, entitling him to compensation at the holiday rate, a notation shall be made on Form H-200.2 to indicate that the day on which the work was performed was a holiday and the holiday shall be identified. (See Exhibit A, showing work performed by Frank B. Newton on a holiday which fell within his basic 40-hour workweek.)

Holiday work shall be reported on the appropriate *Time and Attendance Report* in accordance with the procedure prescribed for reporting overtime work.

#### REGULARLY SCHEDULED NIGHT WORK

Premium compensation at a rate of 10 percent in excess of his basic compensation shall be paid to an employee for work between 6:00 p.m. and 6:00 a.m. if his regular daily tour of duty or any part thereof falls between such hours and has been recorded on his Standard Form 50, *Notification or Personnel Action*, or other document approved by the Director of Personnel.<sup>1</sup> The 10 percent night pay differential is not payable for any period of night work which falls outside an employee's prescribed regular daily tour of duty.

Payment of a night pay differential may not be made for periods when an employee is on leave except in the case of paid (annual, sick, or compensatory) leave which totals less than 8 hours during a single pay period.<sup>2</sup>

If an employee who is entitled to a night pay differential is excused from duty on a holiday, he shall be paid the night pay differential for the holiday, in addition to his basic compensation for that day, even though the holiday occurs within a period when he is on leave with pay.<sup>3</sup>

If an employee who is entitled to a night pay differential is authorized to perform overtime or to work on a holiday falling within his basic 40-hour workweek, he shall be paid the night pay differential for his regular hours of night work, plus overtime or holiday compensation at the authorized rates for such work computed on his basic per annum salary rate.

The hours of night work for which an employee is entitled to a night pay differential shall be recorded and identified on the *Time and Attendance Report* on which his attendance and leave are reported, in accordance with the detailed instructions contained in Section 2-7-7.

<sup>1</sup> See Section 2-7-1, Normal Tours of Duty.

<sup>2</sup> See 36 Comp. Gen. 734.

<sup>3</sup> See 36 Comp. Gen. 733.

H-200.2  
(2-5a)

APPROVAL OF OVERTIME WORK

HHFA - OA

(1) Reporting Unit Office of Administration, Division of Personnel (2) Pay Period No. 5/20-6/2/56

The employees listed hereon were authorized to perform the overtime work reported and, accordingly, should be compensated at established overtime rates or credited with compensatory time, as indicated on the Time and Attendance Report(s) for the unit(s):

(3) Name of Employee	(6) Hours of Overtime Worked														Total	(5) Lending Unit (if employees were borrowed)	
	First Week							Second Week									
	S	M	T	W	T	F	S	S	M	T	W	T	F	S			
Everett, Mary T.			3					3	2						8		
Green, Helen A.								3	1			2			6		
Newton, Frank B.			3								8 1/2				11		
Roe, Richard A.				2	2										4		
(4) BORROWED EMPLOYEES																	
Walker, Mary F.								3	3						6	Div. of Finance and Accts.	
Walters, John E.								3	3						6	Div. of General Services	
														(9)			
(8) Total														41			

(10) Justification for Overtime

To prepare occupational survey report for HHFA, involved review and consolidation of constituent agency reports. Deadline project assigned by CSC which could not be completed without overtime work in view of regular workload and limited staff.

(11)

John G. Dae  
(Name)  
Director of Personnel  
(Title)

1/ Holiday work (Memorial Day)

### **Section 3**

## **LEAVE—GENERAL PROVISIONS**

### **COVERAGE**

All employees of the Office of the Administrator are governed by these regulations, except:

- (1) Part-time and intermittent employees for whom a regular tour of duty on at least one day of each administrative workweek has not been established in advance.
- (2) Persons engaged under contract on other than a personal service basis.
- (3) Employees paid on a fee basis.
- (4) Employees serving without compensation.
- (5) The Administrator and such other employees specifically excepted from the Act by order of the President.

### **LEAVE ADMINISTRATION**

The Administrator is responsible for leave administration in the Agency.

Division directors are responsible for leave administration within their respective jurisdictions. Division directors and the employees to whom they assign responsibility for granting and denying leave carry the heaviest responsibility for the honest and equitable administration of the leave regulations and policies. Only they can make the decisions that reconcile the needs and desires of employees with the requirements of the work situation. In order to achieve good leave administration, leave approving officers must accept personal responsibility for: (1) familiarity and compliance with these procedures and policies; (2) making sure that employees understand the provisions that apply to them; (3) fair and honest enforcement of the leave system; and (4) judicious use of the discretionary authority that is theirs in leave administration.

Each employee has a personal responsibility for complying with the provisions of the leave regulations in such ways as arranging with his supervisor to take annual leave at such times as will fit in with the needs of the office and of other employees; taking sick leave only in the circumstances provided for in the leave system; and reporting and signing for leave as provided in this Chapter.

**TECHNICAL RESPONSIBILITIES**

Technical responsibilities for the leave system are assigned as follows :

- (1) The *Personnel Division* is responsible for the development and interpretation of leave policy.
- (2) The *Finance and Accounts Division* is responsible for the maintenance of leave records and for interpreting regulations concerning the maintenance of these records.
- (3) Each *division director* is responsible for (a) administering these regulations with respect to the employees under his jurisdiction; (b) designating employees in his organization who may grant or deny leave; (c) subject to the approval of the Director of Personnel, issuing instructions prescribing the conditions under which employees may be granted leave and (d) providing for the maintenance of biweekly time and attendance reports for each employee under his jurisdiction.

**DEFINITIONS**

This paragraph provides a glossary of terms commonly used in leave administration.

*Absence without leave (AWL)*—Any absence from duty without permission.

*Accrued leave*—That part of the leave for the current leave year which an employee has earned to date and has not used.

*Accumulated annual leave*—The unused annual leave remaining to the credit of an employee at the end of the leave year.

*Administrative workweek*—Any seven consecutive calendar days.

*Advance leave*—Leave granted before it is earned.

*Break in service*—Separation from the rolls of one or more workdays.

*Compensatory time off*—Time off without charge to leave of any kind for approved overtime performed.

*Contagious disease*—A disease ruled as subject to quarantine or requiring isolation of the patient as defined by health authorities having jurisdiction.

*Court leave*—Leave for attending court as a witness on behalf of the United States or the Government of the District of Columbia, or for the jury duty in any State court or court of the United States.

*Employee*—Civilian officer or employee.

*Excused absence*—Absence administratively authorized or approved which does not result in a charge to leave of any kind, or in loss of basic salary.

*Extended leave*—Continuous leave of absence in excess of 22 workdays.

*Furlough*—Temporary nonpay status and absence from duty required by the appointing authority because of lack of work or funds. (See also “Military furlough”.)

*Home leave*—A period of leave with pay (apart from annual or sick leave), authorized by law for use in the U. S., in the Commonwealth of Puerto Rico, or in the possessions of the U. S., after being earned and accrued by an employee on the basis of a period of service with the OA or constituent unit at a post of duty outside the U. S., or outside the employee’s place of residence if his place of residence is in the Commonwealth of Puerto Rico or a possession of the U. S. Home leave may be granted to eligible employees under the provisions of the Federal Personnel Manual, Chapter 630 (Subchapter 6).

*Intermittent employees*—Employees who render irregular or occasional services. (“When actually employed” employees are an example of intermittent employees.)

*Leave of absence*—A period of time granted to an employee to be absent from his duties.

*Leave year*—The period beginning with the first complete pay period of the calendar year to the beginning of the first complete pay period in the following calendar year.

*Leave without pay (LWOP)*—Nonpay status and absence from duty granted upon an employee’s request, or absence without pay substituted for annual or sick leave requested by an employee when he does not have sufficient leave to his credit.

*Medical certificate*—Written statement signed by a registered practicing physician, or other practitioner, certifying to the period of disability of the patient while he was undergoing professional treatment.

*Military furlough*—Temporary nonpay status and absence from duty granted by the appointing authority upon employee’s entering U.S. military service or other similar organization designated by law or regulation.

*Military leave*—The period of leave with pay from official duty authorized for civilian employees who are members of the National Guard, Officers’ Reserve Corps, Enlisted Reserve Corps, Coast Guard Reserve, or Naval and Marine Corps Reserve, on days on which they are engaged in annual training duty.

*Nonpay status*—Leave without pay, suspension, and furlough without pay.

*Overdrawn leave*—The amount of leave advanced beyond that which has accrued and which is not later earned by the employee.

*Part-time employees*.—Employees who are appointed for service limited to definite portions of each day, week, or month, and who perform service in accordance with such appointments.

*Pay period*—Biweekly, semi-monthly or other pay period.

*Permanent employee*—Employees appointed to serve without a definite time limitation.

*Personal certificate*—Certificate executed by an employee attesting that his absence was due to illness which incapacitated him for duty.

*Reporting unit*—An organization unit under a supervisor who has been authorized to approve leave and to certify time and leave reports for employees under his supervision.

*Suspension*—Temporary nonpay status and absence from duty required by the appointing authority for disciplinary reasons, or other reasons pending inquiry.

*Temporary employee*—Employee whose appointment is designated as temporary, or who is appointed to serve for a period with a definite limitation, such as “not to exceed 1 year.”

*Tour of duty*—The number and schedule of hours an employee is expected to be on duty during each pay period.

*Unliquidated advance*—That part of advance leave which has not yet been earned or covered by a refund.

*When actually employed (WAE) employee*—A worker employed on an irregular or occasional basis whose schedule of hours or days of work is not necessarily based on a prearranged schedule and who is compensated only for the time when actually employed. (Such an employee may be paid on an annual, per diem, or per hour basis.)

## Part 2. Personnel Administration

## Chapter 7. Attendance and Leave

## Section 4

## ANNUAL LEAVE

All employees of the Office of the Administrator, except those specifically excluded in Section 2-7-3 of this Chapter, are covered by the single leave system established by the Annual and Sick Leave Act of 1951, as amended and Civil Service Commission regulations based on that Act.

## ACCRUAL OF ANNUAL LEAVE

## Leave Categories

Employees are placed in one of four leave categories depending on (a) whether or not they have completed 90 days of current continuous service under one or more appointments without a break in service of one workday or more, and (b) their total creditable Federal Service. Creditable service for leave purposes consists of:

- (1) Any Federal service for which Civil Service retirement deductions were made.
- (2) Any Federal service for which the Civil Service Commission will accept retirement deposits or redeposits.
- (3) All Federal military service on full pay and allowances.

The Personnel Branch will determine the amount of creditable service and the leave category for all employees under the system.

## Standard Terminology for Leave Categories

**CATEGORY 0** New employees or persons reemployed after a break in service. Employees in this category will not receive credit for leave earned until they have been employed continuously for 90 days without a break in service. At the end of the 90 day period, persons in this category will be credited with the leave earned during the initial 90 day period and placed in category 4, 6, or 8, depending on their prior Federal service.

**CATEGORY 4** Employees with less than 3 years service. Employees in this category will earn 4 hours of leave for each full bi-weekly pay period.

**CATEGORY 6** Employees with more than three but less than 15 years of service. Employees in this category will earn 6 hours of leave for each full biweekly pay period, except that the accrual for the last full biweekly pay period in the calendar year shall be 10 hours.

**CATEGORY 8** Employees with 15 or more years of service. Employees in this category will earn 8 hours of leave for each full biweekly pay period.

## Part-Time and Intermittent Employees

Part-time employees earn annual leave if they are scheduled *in advance* to perform duty on at least one day of each administrative work-

week. Their hours of duty are accumulated until they total the amount necessary for one hour of annual leave credit.

Category	Part-time employees earn one hour annual leave for each:
4	20 hours in pay status
6	13 hours in pay status
8	10 hours in pay status

Intermittent employees earn leave as part-time employees if scheduled in advance to perform duty in at least one day of each administrative workweek. Part-time and intermittent employees do not earn leave for any hours in pay status in excess of the base pay hours in an administrative workweek. They may not earn more leave in a leave year than would a full time employee in the same leave category.

#### Changes in Leave Categories

Employees will be notified of changes in leave category by means of a *Pay Roll Change Slip*, Standard Form 1126.

Any change from leave category 4 to 6 or 6 to 8 takes effect as of the beginning of the first pay period following that in which the employee completes the prescribed period of service. Change from leave category "0" takes place the first workday after completion of the required 90 day period.

#### Leave Accrual in Non-Pay Status

Annual leave accrues to an employee only when in pay status. Whenever a full-time employee's absence in nonpay status totals, during a leave year, the equivalent of the base pay hours in one biweekly pay period, his credits for annual leave are reduced by the amount he earns in one biweekly pay period. No leave shall accrue to an employee who is in a nonpay status for an entire leave year.

#### Leave Accrual for Fractional Pay Periods

Annual leave is not earned during fractional pay periods occurring at the beginning or end of a period of service. However, when an employee transfers between positions with different pay periods, he will accrue leave on a prorata basis for any partial pay period immediately before or after the transfer.

### ACCUMULATION OF LEAVE

#### Employees Stationed in the Continental United States

Employees stationed in the continental United States may carry over from one *leave year* to the next a maximum of 30 days of annual leave. However, those employees who were entitled on January 3, 1954 to carry over more than 30 days annual leave continue to keep their maximum leave accumulation until they use annual leave in excess of the amount earned during the current leave year. Whenever this happens, the balance at the end of the leave year becomes the maximum accumulation. When the balance at the end of the leave year drops below 30

days, the maximum allowable accumulation for future years becomes 30 days.

**Employees Stationed Outside the Continental United States**

Employees stationed outside the continental United States and not subject to the rules of the Foreign Service of the United States may carry over as many as 45 days of annual leave from one leave year to the next. The 45 day maximum is applicable only if they were: (a) directly recruited or transferred from the United States by the Federal Government; or (b) they were recruited locally but were originally recruited from the United States and have substantially continuous employment by other Federal agencies, United States firms, interests, or organizations, international organizations in which the United States participates, or foreign governments, and their conditions of employment provided for their return transportation to the United States; or (c) they were recruited locally but were at the time of employment only temporarily absent from the United States for purposes of travel or formal study, and maintained residence in the United States during such temporary absence; or (d) they are not normally residents of the area concerned but were discharged from the military service of the United States to accept employment with an agency of the Federal Government.

When employees who have accumulated more than 30 days of annual leave under this provision return to the United States, the excess over 30 days remains to their credit until used in the manner described for employees stationed in the continental United States who are permitted to retain an accumulation of more than 30 days.

**AVAILABILITY AND ADVANCES OF ANNUAL LEAVE**

Annual leave accruing during the first 90 days of employment in the Federal service, or following reemployment after a break in service of one workday or more, is not available for use until completion of the 90 days. Leave earned during the initial period may not be substituted for LWOP taken during that period. However, annual leave which is recredited to an employee upon reemployment after a break in service may be used during the initial 90 day period or subsequently.

After the completion of 90 days of continuous employment in one or more appointments, without a break in service of one workday or more, a permanent or indefinite employee, regardless of his length of Federal service, may be granted all annual leave that has accrued and advanced annual leave that will accrue to his credit up to the end of the leave year. A temporary employee who has completed 90 days current continuous employment may be granted annual leave that has accrued and advanced annual leave that will accrue to his credit up to the date set for the expiration of his temporary appointment or the end of the leave year, whichever is earlier.

Annual leave will not be advanced in the following cases:

- (a) If there is a likelihood that the employee will retire or be separated from the service before the date when he will have earned the leave.
- (b) If the absence is due to pregnancy or confinement.

**GRANTING OF ANNUAL LEAVE****Authority to Approve Leave**

The head of each division shall designate by positions or categories of positions the persons authorized to approve annual leave. Usually the supervisor of each time and attendance reporting unit will be so designated and will be responsible for approving all leave for that unit except his own leave.

**Administrative Discretion**

Employees with annual leave to their credit shall be granted such leave at their request at such time and in such amounts as will best reconcile the respective needs of the employee and the OA. Approving officers shall by March 31 of each year, in consultation with the employees involved, establish a schedule which will assure each employee an adequate vacation and which will provide employees an opportunity to use annual leave which might otherwise be lost under the regulations on maximum accumulation. In exercising their discretion under these regulations, approving officers shall give full consideration to the needs of their employees. Leave that has been granted may be revoked by approving officers and employees recalled to duty if the work needs of the agency make such action necessary.

Approving officers are required to grant annual leave to employees who have sufficient annual leave to their credit when:

- (1) An employee who is not entitled to court leave is required to be absent because of jury duty.
- (2) An employee is to be placed on furlough in lieu of separation by reduction-in-force. Upon the request of such an employee, he should be granted, immediately prior to furlough, any annual leave to which he is entitled. An exception to this rule is sometimes necessary, in which case the official notices of reduction-in-force will state the conditions under which the leave may be granted.
- (3) An employee under reduction in force separation notice requests permission to use his current years leave accrual before separation. (If an extension of the notice period is necessary SF-52, "Request for Personnel Action," should be submitted.)

**Vacation Leave**

Supervisors should encourage employees to take adequate vacations. Sufficient continuous leave should be granted for vacation purposes to provide rest and recreation, and therefore to be of benefit both to the employee and the agency. The period of continuous leave granted must be determined in the light of work requirements, but whenever possible it should be not less than two weeks.

After permissible leave is taken or reserved for vacations, employees should be permitted to use any additional annual leave to which they are entitled for shorter periods of absence for personal matters.

**Involuntary Leave**

In certain emergency situations employees may be required to take annual leave. Such action may be taken only after careful consideration of all factors relevant to the situation. Examples of emergency situations when involuntary annual leave may be required are:

- (1) Reduction-in-force.
- (2) Anticipated reduction-in-force under circumstances such that if the reduction is made there will be insufficient funds for lump-sum payments unless annual leave balances are reduced.
- (3) During the period of advance notice of suspension or separation, if the employee does not apply for annual leave or leave without pay.
- (4) Pending disability retirement of an employee which the OA has requested and the employee opposed. If the employee has sick leave to his credit, and applies for it, he should not be put on involuntary annual leave until he has used all of his sick leave.

The authority to require an employee to take annual leave is delegated to division directors, and to such other officers as the division directors may designate.

A supervisor may, however, place an employee under his direction on involuntary annual leave for not to exceed one work day if the employee reports for duty in a condition unfit for work, excluding sickness, or when his conduct constitutes a hazard to his fellow-workers or is harmful to the interests of the service.

**Leave Enroute Between Official Stations**

The appropriate approving officer at the releasing station is authorized to approve annual leave to be taken by an employee enroute to a new permanent duty station provided the leave (1) is applied for in advance and (2) does not extend beyond the employee's scheduled reporting date at the new station. Prior clearance must be obtained from the appropriate approving officer at the new station for leave extending beyond the scheduled reporting date.

An employee who wishes to request annual leave, or to extend approved annual leave, while enroute and after leaving his old station must apply to the appropriate leave approving officer at the new station.

**Military Reservists**

Employees who are members of armed services reserve components may be called up for short tours of active duty for which military leave cannot be granted. A reservist may, for instance, be called to active duty for a two or three day period for the purpose of a physical examination prior to recall to an extended period of active military duty. If the employee has available annual leave, it will be granted for such purposes. The employee may, in such cases, receive both his military pay and allowances and his civilian salary without violating the dual-compensation statutes.

**Leave Before Separation**

Except to allow an employee to use his current year's leave accrual which would otherwise be lost, it is not OA policy to grant annual leave to an employee whenever there is reason to believe that the employee may separate before returning to active duty. Leave requested solely in order to avoid a lump sum payment before separation should be refused.

**APPLICATION FOR ANNUAL LEAVE**

Employees should request leave from their immediate supervisors. Requests may be oral except as indicated below. Generally, on approval of an oral request, the employee shall sign the Time and Attendance Report in advance of the period of leave. Exceptions to this may be made in times of emergency, or when the leave grant is for a specific purpose and the exact number of hours charge is not known in advance.

**Use of Application for Leave, Standard Form 71**

An *Application for Leave*, Standard Form 71, is required for the following types of non-routine leave:

- (1) Advances of annual leave in excess of three days.
- (2) Leave for which the employee is unable to sign the Time and Attendance Report prior to it being forwarded from the reporting unit.
- (3) Leave for which final approval rests with an approving authority other than the supervisor of the time and attendance reporting unit.
- (4) Leave in cases where the employee is not located sufficiently near the supervisor to apply in person, or when the employee is in travel status.

**Unscheduled Absence**

Employees who must be absent because of emergencies should apply for leave within the first hour of the working day.

Applications for emergency leave or extensions of leave and any inquiries concerning such applications may be made, at the expense of the employee, by telephone, telegraph, or other means of communications.

An employee absent without permission will be carried on the Time and Attendance Report in nonpay status (AWL). This may later be converted to annual or sick leave, depending on the circumstances, if the employee has leave to his credit and has convincing reasons for his failure to apply in advance for such leave. The conversion may take place after the end of the pay period.

**CHARGE TO LEAVE ACCOUNTS****Minimum Charge**

The minimum charge for annual leave is one hour. Charges for absence in excess of one hour are made in multiples of one hour. Unavoidable absence from duty of less than one hour may be excused under certain conditions. Supervisors may excuse short periods of tardiness. They may, for instance, have the employee make up the lost time at a later date.

**Days Not Charged—Holidays**

Annual leave is charged only for absence upon days when an employee would otherwise work and is not charged for regular holidays or non-working days established by Federal statute or by Executive or administrative order. When a holiday occurs on Sunday, the following Monday is observed as a holiday. Exceptions to this rule are made if the regularly scheduled basic work week includes Sunday.

**Substitution of Sick for Annual Leave**

When sickness occurring within a period of annual leave lasts at least three consecutive work days and is supported by a medical certificate or other evidence administratively acceptable to the leave-approving officer, sick leave may be granted to cover the period of illness, and charges to annual leave reduced accordingly.

**DISPOSITION OF ANNUAL LEAVE ACCOUNT**

When an employee transfers to or is reemployed in another position covered by the Annual and Sick Leave Act of 1951 without a break in service, his leave account is certified to the new agency, for credit or charge. For all other separations, except in the case of death or when an employee is reporting for active military service, a lump sum payment is made for leave remaining to his credit, exclusive of any leave accrual in the current year which will give the employee a total of more than 30 days.

An employee who has been regularly scheduled to perform duty during each administrative work week and is transferred, or separated and reappointed, to a position in which he is no longer regularly scheduled to perform duty in each administrative workweek will be paid a lump-sum for annual leave to his credit at the time of separation or transfer.

**Recrediting of Leave after Lump Sum Payment**

If an employee who has received a lump sum payment in settlement of his leave account returns to duty (regardless of the length of the new appointment) prior to the date that his unused leave would have expired, he must refund the amount of the lump sum payment that would cover the unexpired portion of his leave together with necessary tax deductions. All such leave will be recredited to the employee and will be immediately available for his use regardless of his leave category.

**Employee's Leave and Active Military Service**

Any employee who is furloughed or separated to enter active service with the armed forces may elect to receive a lump-sum payment for all annual leave to his credit or to have it held to his credit until he returns from duty in the armed services.

The leave account of an employee who leaves, or has left, a position under the Annual and Sick Leave Act of 1951 to enter military service, and is reemployed in a position under that Act, will be certified for credit or charge provided that the employee is reemployed without a break in service or without a break of not more than 52 continuous calendar weeks after separation from military service or from hospitalization continuing after discharge for not more than one year.

For employees not entitled to statutory or regulatory restoration rights, military service is considered a break in service for leave purposes and a new 90 day waiting period is required upon return to Government employment.

**Death**

The beneficiary of a deceased employee will receive payment for all annual leave to the employee's credit, including the current year's annual leave accrual.

**Restoration after Appeal**

The leave account of an employee who is separated and then restored to a position, as the result of an appeal, is certified for credit or charge as of the time of separation.

**Separation of Employees Indebted for Advance Annual Leave**

If an employee is separated while indebted for advanced annual leave, he must refund the amount due and unearned, or have such amount deducted from any salary due him. No refund is necessary if the separation is caused by death, retirement for disability, or if the employee is unable to return to duty because of a disability and presents a medical certificate so stating.

**Part 2. Personnel Administration**  
**Chapter 7. Attendance and Leave**

**Section 5****SICK LEAVE**

All employees of the Office of the Administrator except those specifically excluded in Section 2-7-3 of this Chapter, are covered by the single leave system established by the Annual and Sick Leave Act of 1951 and Civil Service Commission regulations based upon that Act.

**ACCRUAL OF SICK LEAVE**

Full-time employees earn and are credited with 4 hours of sick leave for each full biweekly pay period (13 days a leave year).

Part-time and intermittent employees earn one hour of sick leave for each 20 hours in pay status, provided that they are scheduled *in advance* to perform duty on at least one work day of each administrative work week. This advance schedule must provide for duty on specific days of the week and at specific hours of the day.

**Sick Leave Accrual in Non-Pay Status**

Sick leave accrues to an employee only when he is in pay status. Whenever a full-time employee's absences in non-pay status totals the base pay hours in one biweekly pay period, his credits for sick leave are reduced by 4 hours. Any time in non-pay status less than the hours of a full biweekly pay period is dropped at the end of the leave year.

**Leave Accrual For Fractional Pay Periods**

Sick leave is not earned during fractional pay periods occurring at the beginning or end of a period of service. However, when an employee transfers between positions with different pay periods, he will accrue leave on a prorata basis for any partial pay periods immediately before or after the transfer.

**ACCUMULATION OF SICK LEAVE**

Unused sick leave may be accumulated to an employee's credit without limit.

**GRANTING OF SICK LEAVE**

Division Directors shall designate by position or categories of positions the persons authorized to approve leave. Usually the supervisor of each time and attendance reporting unit will be so designated and will be responsible for approving all leave for that unit except his own leave.

**When Sick Leave is Granted**

Sick leave is granted under any of the following circumstances:

1. When the employee is unable to work because of sickness or injury.

2. When the employee is unable to work because of pregnancy and confinement.
3. When the employee must be absent to be examined or treated by a doctor, dentist or eye-specialist.
4. When an employee is needed to take care of a member of his immediate family who has a contagious disease (see definitions on page 2, 2-7-3).
5. When the employee has been exposed to a contagious disease and his presence would jeopardize the health of others.

#### **Employee Responsibility**

It is the employee's responsibility to request sick leave only at such times and under such circumstances as are outlined in this procedure. He is required to promptly submit all forms, certificates, or statements necessary in requesting or supporting grants of sick leave.

#### **Supervisory Responsibility**

Supervisors are responsible for determining that each charge to sick leave is justified. If for any reason the employee's statement or medical certificate is not satisfactory, the supervisor shall require the employee to submit additional evidence. If acceptable evidence is not forthcoming, the absence shall be charged to annual leave or leave without pay.

#### **Substitution of Sick For Annual Leave**

When sickness occurring within a period of annual leave lasts more than three consecutive work days and is supported by a medical certificate or other administratively acceptable evidence, sick leave may be granted to cover the period of illness, and charges to annual leave reduced accordingly.

#### **Sick Leave In Maternity Cases**

Sick leave may be granted in maternity cases only for such periods or period when the employee is unable to work. Annual leave or leave without pay may be interrupted in order to grant sick leave for such periods. The grant of leave without pay may not exceed six months.

#### **Terminal Sick Leave**

Properly authorized sick leave may be granted immediately prior to separation. The date on which the sick leave expires may be the date of separation.

#### **APPLICATION AND APPROVAL FOR SICK LEAVE**

Employees should request sick leave approval from their immediate supervisors. Requests for approval may be oral except as indicated herein.

#### **Timing of Requests**

Except in unusual circumstances, arrangements for, and approval of, appointments for medical, dental, and optical treatment and ex-

mination must be sufficiently in advance to allow for any necessary adjustments of work schedules. Employees who must be absent because of sickness should see that their supervisors are notified within the first hour of the working day or as soon thereafter as possible. Failure to comply with this procedure may result in the absence being charged to annual leave or to leave without pay.

**Use of Application For Leave, Standard Form 71**

An *Application for Leave*, Standard Form 71, is required for the following types of sick leave:

1. Leave for which the employee is unable to sign the time and attendance report prior to it being forwarded from the reporting unit.
2. Sick leave in excess of three days.
3. Requests for advance sick leave.
4. Leave for which final approval rests with an approving authority other than the supervisor of the time and attendance reporting unit.
5. Leave in cases where the employee is not located sufficiently near the supervisor to apply in person, or when the employee is in travel status.

**Medical Certificates**

Sick leave in excess of three work days must be supported by a medical certificate (see definitions, page 3, 2-7-3) or other administratively acceptable evidence. The instructions on the SF-71 require that the reason for not submitting a medical certificate must be indicated thereon. Sick leave of less than three work days may be granted without a medical certificate. The supervisor may, however, require a medical certificate for any period of absence for which he determines it administratively desirable.

**Absent Without Leave**

When an employee is absent without permission and has not accounted for himself by the end of the pay period, he will be carried in non-pay status (AWL) and the Time and Attendance Report will be so noted. This may later be converted to sick or annual leave, depending on the circumstances, if the employee has leave to his credit and has convincing reasons for his failure to apply for such leave.

**ADVANCE OF SICK LEAVE**

Division Directors may grant advance sick leave of not more than 30 days when the request is supported by an acceptable medical certificate. No such advance shall be made if:

1. The employee holds a limited appointment, or one expiring on a specified date, in excess of the total sick leave that would accrue during the remaining period of such appointment. For this pur-

pose an employee serving in a probational or trial period shall not be construed as holding a limited appointment.

2. The employee requests the advance to take care of a member of his immediate family who has a contagious disease or when the employee has been exposed to a contagious disease.
3. The employee requests the advance because of pregnancy or confinement.
4. It is reasonably apparent that the employee will separate or retire before he could accrue the advanced sick leave.

#### **SICK LEAVE ACCOUNT**

The minimum charge for sick leave is one hour. Charges for absence in excess of one hour are made in multiples of one hour.

#### **Days Not Charged—Holidays**

Sick leave is charged only for absence upon days when an employee would otherwise work and is not charged for regular holidays or non-work days established by Federal statute or by Executive or administrative order. When a holiday occurs on Sunday, the following Monday is observed as a holiday. Exceptions to this rule are made if the regularly scheduled basic work week includes Sunday.

#### **Disposition Of The Leave Account**

Upon reemployment of an employee covered by this leave system on or after January 6, 1952, without a break in service, or a break of not more than 52 continuous calendar weeks, the employee's sick leave account shall be certified to the employing agency for credit or charge to his account.

The sick leave account of an employee who leaves, or has left, a position under the Annual and Sick Leave Act of 1951 to enter the military service and is reemployed in a position under the Act will be certified for credit or charge provided that the reemployment is without a break in service or a break of not more than 52 continuous calendar weeks after separation from the military service or from hospitalization continuing after discharge for not more than one year.

The leave account of an employee who is separated and then restored to a position, as the result of an appeal, is certified for credit or charge as of the time of separation.

#### **Separating Employees Indebted For Advance Sick Leave**

If an employee is separated while indebted for advance sick leave, he must refund the amount due and unearned, or have such amount deducted from any salary due him. No refund is necessary if the separation is caused by death, retirement for disability, or if the employee is unable to return to duty because of disability and presents a medical certificate so stating.

## **Section 6**

### **LEAVE WITHOUT PAY**

Leave without pay is a temporary nonpay status and absence from duty granted upon an employee's request. The use of leave without pay is a privilege and may be allowed or denied in accordance with the policies and standards prescribed herein except in the case of disabled veterans who are entitled to leave without pay if necessary for medical treatment under Executive Order 5396. All employees are eligible for leave without pay except those specifically excluded from leave privileges by the provisions of Section 2-7-3.

A request for the use of leave without pay shall be allowed only after an administrative decision that a grant of such leave will be in the interests of management. In granting leave without pay, consideration shall be given to the general effectiveness of the employee and his past record in using his annual and sick leave. Except as provided below, leave without pay may be granted to an employee even though he has annual and sick leave to his credit.

Initial grants of leave without pay shall not exceed 12 months. Although such grants may be renewed for any like, or shorter period, requests for renewals shall be scrutinized even more carefully than the original grant for adherence to the criteria outlined below.

#### **AUTHORIZED GRANTS OF LEAVE WITHOUT PAY**

Leave without pay may be granted, all other factors being favorable:

- (1) To cover an absence without pay substituted for annual or sick leave when the employee has no leave to his credit.
- (2) To protect the status of an employee: (a) who is unable to perform his duties and who is pending disability retirement from the time his sick and annual leave are exhausted until the date of the Civil Service Commission's action approving or disapproving his application, and (b) between the date of the Civil Service Commission's approval of an employee's application for disability retirement and the end of the month in which such approval is granted, provided that the employee was not already in a leave without pay status during the preceding month following the exhaustion of his sick and annual leave.
- (3) For the period the employee is paid disability compensation by the Bureau of Employees' Compensation because of injuries received on the job or because of an occupational disease. Leave without pay may also be granted to an employee pending final action by the Bureau of Employees' Compensation resulting from employment-connected injury or disease.
- (4) For the purpose of recovery from illness or disability not of a permanent or disqualifying nature, when continued employment

or immediate return to employment would threaten the impairment of the employee's or others' health.

- (5) For educational or training purposes, when the course of study, research, or other activities is in line with a type of work performed by the Agency and completion of which would contribute to its best interests.
- (6) In the event of serious personal emergencies.

Ordinarily, leave without pay should not be granted in maternity cases until all sick and annual leave have been exhausted; however, in the event the employee has sick leave to her credit but does not submit a medical certification of incapacity for duty for any part of the period of absence for which sick leave is requested, such part of the leave period should be charged to annual leave or, if her annual leave is exhausted, to leave without pay.

#### **SHORT PERIODS OF LEAVE WITHOUT PAY**

Leave without pay for less than 23 workdays in a leave year is a matter for the administrative discretion of the leave approving officer authorized to approve grants of annual and sick leave for the employee. Leave without pay requested as a substitute for annual or sick leave should be reviewed in terms of the approval criteria given in this Section and those in the Sections on Annual Leave (2-7-4) or Sick Leave (2-7-5). Leave without pay substituted for sick leave should be supported by the same documentation required to substantiate the sick leave. Reasons for granting leave without pay should be noted on the appropriate time and attendance report in the space provided for remarks.

#### **EXTENDED LEAVE WITHOUT PAY**

Extended leave without pay (leave without pay in excess of 22 workdays in a leave year) shall be granted only when the services of the employee can be spared without undue detriment to the work of the Agency and when it appears that there is a strong likelihood of his return to work at the end of the leave period. This consideration is necessary since carrying an employee in a leave without pay status results in certain costs or inconveniences to the Government, such as—

- (1) Loss of service which may be needed in the Agency.
- (2) Necessity to employ or train a replacement on a temporary basis.
- (3) Obligation to provide active employment at the end of the approved leave period.
- (4) Complication of retention preference registers in the event of a reduction-in-force.
- (5) Encumbrance of a position.
- (6) Credit of six months of each year toward retirement.

Therefore, each request for extended leave without pay shall be examined carefully to assure that the value of the Agency and the needs of the employee are sufficient to offset these costs and administrative inconveniences.

**Procedure**

Requests for extended leave without pay shall be made in writing by the employee, explaining fully the reasons for the request. The original and one copy of the request, which shall be addressed to the Director of Personnel, shall be submitted to the employee's leave approving officer. In the case of illness, the request must be accompanied by a medical certificate or statement from the attending physician. Except in the case of illness or emergency, the request should be made at least two weeks in advance of the beginning of the leave period.

Upon determination by the leave approving officer that the employee's request should be honored, a Standard Form 52, *Request for Personnel Action*, shall be prepared and submitted through the normal approving authorities to the Personnel Branch. The Standard Form 52 shall include a justification showing how the request meets the standards and a statement as to whether temporary help will be needed during the absence. The original of the employee's memorandum request and any medical certificates should be attached to the original copy of the Standard Form 52; a copy of each of the Standard Form 52 and the employee's memorandum should be filed by the leave approving officer.

Notice of approval of the request shall be made by Standard Form 50, *Notification of Personnel Action*. Notice of disapproval shall be furnished the employee by memorandum from the Personnel Branch, stating the reasons for such action. A copy of the memorandum shall be furnished the employee's leave approving officer.

**Clearance**

An employee, upon being granted leave without pay for a period of 3 months or more, shall return all advanced funds and Government property for which he is accountable to the responsible organizations. Form H-58, *Clearance for Final Salary Payment*, shall be initiated and processed in such cases, in accordance with the procedures prescribed in Section 2-4-3.

**EFFECT ON ANNUAL AND SICK LEAVE ACCRUALS**

For each 80 hours of absence without pay, a reduction of the employee's annual and sick leave credits shall be made in the same amount as his leave earnings for an equivalent period of time.

**EFFECT ON STEP INCREASES AND CREDITABLE SERVICE**

Leave without pay in excess of two workweeks within the period required for one periodic step increase extends the waiting period for such step increase for an equivalent period. Leave without pay in excess of 6 workweeks within the period required for a longevity step increase extends the waiting period for that type of increase for an equivalent period of time.

Not more than 6 months of leave without pay in the aggregate in any calendar year may be counted as creditable service for retirement purposes.

**EFFECT ON PROBATIONARY PERIODS**

Whenever leave without pay in excess of 22 workdays within the one year probationary period is granted to a probationary employee, his probationary period will be extended by the number of days of leave without pay exceeding 22 workdays.

**EFFECT ON OVERTIME PAY**

For any period of leave without pay within a basic 40-hour workweek, an equal period of service performed outside the basic workweek, but during the same administrative workweek, must be substituted and paid for at the rate applicable to the employee's basic workweek, before any remaining periods of service can be paid for at the overtime rate.

## **Section 7**

### **TIME AND ATTENDANCE REPORTING**

Procedures for the maintenance, certification, and submission to the Division of Finance and Accounts of time and attendance and leave records of employees of the Central Office are contained in the Time-keeper's Handbook.

These procedures pertain to the mechanics of timekeeping; questions in this connection should be referred to the Division of Finance and Accounts. Questions concerning the policies and regulations on leave administration and the authorization and approval of overtime and other premium pay work should be referred to the Division of Personnel.

## **Section 9**

### **VOTING LEAVE**

#### **POLICY**

In accordance with the letter dated April 14, 1958, from the Special Assistant to the President for Personnel Management, the following policy is hereby established for granting leave for voting and registration purposes.

Insofar as practicable, without interfering seriously with operations, employees who desire to vote or register in any election or in referendums on a civic matter in their community shall be excused for a reasonable time for that purpose as follows:

- (1) As a general rule, where the polls are not open at least three hours either before or after an employee's regular hours of work he may be granted an amount of excused leave which will permit him to report for work three hours after the polls open or leave work three hours before the polls close, whichever requires the lesser amount of time off.
- (2) Under exceptional circumstances where the general rule does not permit sufficient time, an employee may be excused for such additional time as may be needed to enable him to vote, depending upon the particular circumstances in his individual case, but not to exceed a full day.
- (3) If an employee's voting place is beyond normal commuting distance and vote by absentee ballot is not permitted, the employee may be granted sufficient time off in order to be able to make the trip to the voting place to cast his ballot. Where more than one day is required to make the trip to the voting place, offices shall observe a liberal policy in granting the necessary leave for this purpose. Time off in excess of one day shall be charged to annual leave or if annual leave is exhausted, then to leave without pay.
- (4) For employees who vote in jurisdictions which require registration in person, time off to register may be granted on substantially the same basis as for voting, except that no such time shall be granted if registration can be accomplished on a non-work day and the place of registration is within reasonable one-day, round-trip travel distance of the employee's place of residence.

#### **ADMINISTRATION OF VOTING LEAVE**

The Personnel Director is responsible for the overall administration of the HHFA voting leave policy.

In the Central Office, the Personnel Branch is responsible for making known to employees specific jurisdictional voting and registration requirements and major election dates including the time polls open and

close. The criteria for granting leave for voting and registration shall be in keeping with the policy outlined above.

It is the general responsibility of the constituent unit and division heads, and the specific responsibility of each leave approving officer to be certain that the actual time granted is based on specific information regarding the time the polls are open. All leave for voting purposes shall be applied for in advance.

## **Section 11**

### **DISMISSALS DURING HAZARDOUS WEATHER**

#### **GENERAL**

In order to reduce the additional traffic congestion caused by severe snow or icing conditions on Washington's streets, highways, and bridges, the following dismissal policy has been adopted as general government policy. There shall be no early dismissals because of winter traffic conditions in the Washington area except under the provisions of this policy.

#### **DETERMINATION OF EARLY DISMISSALS**

Early dismissals of employees will be based on the finding by the District Engineer Commissioner and a decision of the designated Assistant to the President that the condition of streets and highways in the Metropolitan area is, or will be, such that early staggered dismissals of employees is essential to reduce the probability of extremely serious and hazardous traffic congestion and driving conditions.

#### **NOTIFICATION OF DISMISSAL**

The Director of Personnel will be notified by the Executive Director of the Civil Service Commission through the Secretariat of the Interagency Advisory Group, whether or not severe snow or icing conditions warrant early dismissal. If dismissals are proposed, the District Engineer Commissioner will indicate the specific time, in advance of regular closing hours, to be followed.

The Director of Personnel will inform the heads of constituent units and offices of the decision. The latter shall then dismiss all employees who are in actual duty status without charge to annual leave, for the specified period prior to the normal closing time.

In acting in accordance with this authorization, heads of constituent units and offices shall give due consideration to the fact that extra public transportation probably will not be available at the earlier dismissal hour and so advise employees affected.

To avoid congestion of telephone circuits, employees shall not call the Division of Personnel, the Civil Service Commission, or the District Engineer Commissioner for advance information, and shall refrain from making personal arrangements on the telephone before dismissals are announced.

**TARDINESS BECAUSE OF WEATHER CONDITIONS**

Snow or ice conditions developing during the night before an employee's regular work hours should not ordinarily be the basis for absence from work, but under unusually severe conditions heads of constituent units and offices may excuse tardiness they consider not reasonably avoidable.

**CLOSING DOWN OF ALL FEDERAL ACTIVITIES DURING UNUSUAL STORMS**

There may be very rare occasions when a storm during off duty hours renders road conditions impassable to heavy traffic so that it is deemed essential to close all Federal activities in the Washington area. Under such conditions the District Engineer Commissioner will advise the designated Assistant to the President that conditions are such that only personnel engaged in services which cannot be suspended or interrupted should be required to report for work.

The decision of the Assistant to the President will be immediately released to the area wire services for prompt dissemination throughout the local radio, television and press.

Under such circumstances, employees shall be responsible for apprising themselves of any public announcements through the radio, television or press, before assuming that government operations have been suspended and that their absence will not be charged to annual leave.

Any day that employees are excused from reporting for work under the circumstances related under this heading shall be a non-work day for leave purposes but shall not be a holiday for any purpose.

**NOTICE TO EMPLOYEES**

In order to eliminate a major cause of stalled vehicles during periods of severe traffic congestion, employees should be reminded occasionally during the winter months that it is particularly important that adequate fuel be kept in their cars.

Part 2. Personnel Administration

Chapter 8. Compensation

Section 5

**BENEFICIARIES FOR OTHER THAN RETIREMENT FUNDS**

Unless other beneficiaries are designated in writing, unpaid compensation (leave, salary, travel expenses, etc.) due a deceased employee shall be paid to the persons surviving at the date of death in the following order of precedence:

- (1) To the widow or widower of the employee;
- (2) If there be no surviving spouse, to the child or children of such employee, and descendants of deceased children, by representation;
- (3) If none of the above, to the parents of such employee, or the survivor of them; and
- (4) If there be none of the above, to the duly appointed legal representative of the estate of the deceased employee, or if there be none, to the person or persons determined to be entitled thereto under the laws of the domicile of the deceased employee.

Employees who wish to designate a different order of payment than stipulated above must complete Standard Form 1152 and return it to the Payroll Office. Standard Form 1152 may be obtained from the Payroll Office or the Personnel Branch. (For designation of beneficiaries for retirement funds, see Section 2-4-4, Retirement.)



## **Section 6**

### **SALARY RETENTION**

When an employee whose position is subject to the Classification Act is reduced in grade through no fault of his own, and not because of a reduction in force due to lack of funds or curtailment of work, he is entitled under the conditions specified in the Salary Retention Act of 1958 to retain his rate of basic compensation.<sup>1</sup> (FPM, P-1-64).

If it is determined that the Salary Retention Act applies to an employee who is being downgraded not more than three grades, he shall (1) retain the rate of pay he was receiving prior to the reduction in grade; and (2) be paid at this rate for two years, provided that he continues to be employed in the OA, CFA, or URA, in the Central office or in the field, without a break in service. If he is downgraded more than three grades, his pay is set under the formula specified in FPM, P-1-66.

#### **PROCEDURE**

When an employee is given the thirty day advance notice of downgrading (Section 2-2-2) he shall also be informed whether he is entitled to salary retention benefits.

If it is determined that the employee is not entitled to such benefits, he shall be informed of his right to appeal to the Civil Service Commission. He may appeal the determination even though he also appeals the classification action of the change to lower grade. (FPM, Z1-330.06)

#### **EMPLOYEE RIGHTS DURING RETENTION PERIOD**

##### **Periodic and Longevity Step Increases**

During the retention period an employee is eligible to earn periodic or longevity increases in the grade to which he was demoted.

##### **Reassignment At Same Grade Level**

Reassignment during the retention period to another position at the same grade level due to conduct, character, or inefficiency, at the employee's own request, or due to a reduction in force based on lack of funds or curtailment of work shall terminate the retained rate.

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<sup>1</sup> Questions of salary savings under laws prior to August 23, 1958, may be referred to the Director of Personnel.

**Promotions and Demotions**

If an employee with a retained pay rate is promoted or demoted during the retention period, his rate of pay is adjusted in accordance with the rules set forth in the Federal Personnel Manual. (FPM, P-1-7)

**Retirement and Group Life Insurance**

The retained rate shall be used to compute retirement benefits and determine Group Life Insurance payments.

**PAY ADJUSTMENT**

An employee, upon termination of his retention period, shall have his rate of pay adjusted within the grade in which he is serving in accordance with the highest previous rate rule (FPM, P-1-7). However, where the employee's retention period is terminated under one of the conditions in the law which would deny him the benefits of salary retention, his rate of pay shall be adjusted within the grade in which he is demoted at the discretion of the appointing office.

**General Policy for In-Service Training**

In-service training is essentially a management function. Constituent unit and office heads may authorize in-service training to meet specific needs as they arise. While such training does not require the formal approval of the Director of Personnel, it should be developed in consultation with the Employee Development Staff in order to avoid duplication of similar training efforts in other parts of the Agency. The financing of in-service training will be accomplished with regular administrative funds.

The need for in-service training is inherent in many organization situations such as employment of new people, appointment of new supervisors, assignment of additional duties, installation of new or revised systems and procedures, transfer or reassignment of personnel as a result of a shift in workload, or change in the over-all mission of the organization unit.

In-service training need not be elaborate, formalized, or expensive to be effective. One of the most effective training methods is on-the-job coaching where the employee learns by doing.

**Utilizing Training Programs of Other Agencies**

If a training need cannot be met through OA facilities, facilities of other Government agencies may be utilized under authority of the Government Employees Training Act. The agency sponsoring the training has the option of accepting or rejecting such requests. Utilization of programs of other agencies must be approved by and processed through the Division of Personnel. The Division of Personnel will notify management of the availability of training in other Government installations when such training has applicability to HHFA programs and operations. Form H-830, *Request and Authorization for Training* (Exhibit A), will be used to request training in other agencies whenever there is a fee or agency charges are involved. See "Procedure for Requesting Out-Service Training" below.

**Requests from Other Agencies to Participate in Central Office Training Programs**

Requests from other Government agencies to participate in Central Office in-service training programs shall be referred to the Division of Personnel. Where spaces are available in such training programs and the training of other than OA personnel will not violate HHFA policy or interfere with the proper conduct and effectiveness of the training, other than OA personnel may participate. Employees from constituent agencies will be given first priority in such cases. Reimbursement from participating agencies will be requested as appropriate. An indication that reimbursement will be expected will be announced in advance of the beginning of the training. As soon as possible, the Division of Personnel will furnish information concerning the amount of reimbursement, the participating agency to be billed, and the date of billing, to the Division of Finance and Accounts.

**Cooperative Training Agreements with Other Agencies**

A training need may be met through a cooperative arrangement under which the training facilities and resources of the OA are combined with those of one or more other agencies. Negotiations for such arrangements will be initiated and approved by the Division of Personnel.

**TRAINING THROUGH NON-GOVERNMENT FACILITIES (OUT-SERVICE TRAINING)****Definition**

Out-service training is that conducted by any of the following non-Government facilities: the government of any State, Territory, or possession of the United States; any foreign government or international organization, or instrumentality of either; any medical, scientific, technical, educational, research, or professional institution, foundation, agency or organization. Training conducted on Government property by a non-Government person is considered to be training through a "non-Government facility" and is, therefore, classified as out-service training.

**Responsibilities**

Each employee benefiting from out-service training will be expected to devote every effort to deriving maximum benefit from his training and will be required to submit a written evaluation of his experience at the conclusion of the training period.

Management at all levels will review program operations on a continuing basis in order to identify problem situations which can be corrected by training and will take steps commensurate with available resources to meet the training need. Specifically, constituent unit, office and division heads will see that:

- (1) Reviews of training needs are conducted on a regular basis, making use of existing management records and production and staffing studies.
- (2) Funds are made available where possible when a sound training investment is indicated to fill a legitimate training need.
- (3) The use of training and employee development programs is encouraged when it is in the best public interest.
- (4) All out-service training conducted in their organization is properly evaluated.
- (5) Preliminary determination is made, by consulting with the Division of Personnel, that training within Government is not reasonably available in terms of distance, timing and other factors, before submitting requests for training in non-Government facilities.
- (6) All offers of contributions, awards or payments in connection with training in non-Government training facilities are referred to the Assistant Administrator (Administration) for approval prior to acceptance.

- (7) No individual employee or particular group of employees receives a disproportionate share of out-service training.

The Division of Personnel will:

- (1) Serve as an information clearing house and consultant on OA training and employee development matters.
- (2) Develop procedures and policies on the conduct of out-service training and employee development programs.
- (3) Review training needs at least once every three years.
- (4) Evaluate out-service training courses as appropriate.
- (5) Prepare training reports required by the Civil Service Commission, the Congress, or other outside authority.
- (6) Review requests for training in non-Government facilities to determine that such training is in conformity with Agency training policy and over-all training plan, the Government Employees Training Act, and Civil Service Commission regulations, and make appropriate recommendations to the Assistant Administrator (Administration) on all out-service training matters.
- (7) Maintain administrative controls to assure that the number of man-years of out-service training in any fiscal year does not exceed one percent of the total man-years as shown by the OA budget estimates for that year.
- (8) Maintain a file of written agreement forms signed by employees given out-service training.
- (9) Maintain a record of estimated expenditures for out-service training.
- (10) Keep records of contributions and awards received by HHFA employees in connection with out-service training.
- (11) Keep records of waivers of limitations on training through non-Government facilities granted by the Administrator or the Civil Service Commission.

**General Policy for Training in Non-Government Facilities**

In considering requests for approval of specific training in non-Government facilities, approving authorities will generally approve only that training which has a clear and direct relationship to the present or future duties of the employee proposed for training. Opportunities for training in non-Government facilities are to be used within the general framework of established training needs. HHFA policy recognizes that out-service training may provide incentive and motivation for employees and an opportunity for the Agency to recognize and reward and further develop employees of outstanding potential while at the same time meeting training needs.

In arriving at a decision to send one or more employees to a non-Government facility, consideration will be given to the possibility that

the same expenditure used to conduct training by a non-Government person on Government property may result in more employees being trained for the same expenditure of money without seriously affecting the quality or effectiveness of the training.

Out-service requests initiated by individual employees will be considered under the same criteria that apply to any other training requests and will generally require the same levels of authority for approval.

**Prohibitions and Requirements in the Training Act and CSC Regulations Governing Training Through Non-Government Facilities**

The Government Employees Training Act and the CSC Regulations contain the following prohibitions and restrictions governing the recommendation and approval of out-service training:

- (1) An employee may not be trained in a non-Government facility to fill a position by promotion if there is available, at or within a reasonable distance from the place or places where the duties of such positions are to be performed, another Agency employee of equal ability and suitability who is fully qualified to fill such position. Career or career-conditional employees selected for training given primarily to prepare them for promotion, must be selected through merit promotion plan procedures if this training is required for promotion.
- (2) An employee may be trained in non-Government facilities only if adequate training is not reasonably available within Government facilities.
- (3) Training may not be authorized by or through a non-Government facility which teaches or advocates the overthrow of the Government by force, or by or through any individual with respect to whom determination has been made by a proper Government administrative or investigative authority that there exists a reasonable doubt of his loyalty to the United States as ascertained pursuant to CSC Regulation 39.308.
- (4) Training in a non-Government facility may not be authorized solely to provide an opportunity to obtain an academic degree.
- (5) The number of man-years of training in non-Government facilities shall not be more than one percent of the total man-years as shown by the OA budget estimates for the same fiscal year. Training courses of 40-hours duration or less are not chargeable to this ceiling.
- (6) Except for training courses of 40-hours duration or less, an employee will be given out-service training only if he has had at least one year of civilian Government service without a break in service since his latest entrance on duty date in the Federal service
- (7) An employee selected for out-service training must agree in writing before the training begins to remain with the Agency

of copies as required for Form H-830 and should cover all pertinent factors of the proposed action.

All requests regardless of approval authority shall be submitted to the Director of Personnel.

An original and five copies of Form H-830 should be submitted on requests for out-service training; additional copies are required if transportation or procurement is involved, or if the training is for more than 40 hours. Requesting and approving officials need sign only the original of the Form. Facsimile signatures will be used to indicate approvals on the copies of the form.

For training of more than 40 hours of duration, the employee must complete and sign the agreement portion of the form.

Distribution of approved copies of Form H-830 will be made by the Division of Personnel as follows:

- Original —Division of Personnel training file
- Copy —Official Personnel Folder. This copy will be routed through the Division of Budget and Management.
- Copy —Division of Finance and Accounts
- Copy —Employee. This copy will be returned through the requesting office as notification of approval to that office.
- Copy —Division of General Services (if official transportation or procurement will be involved)
- Copy —Division of Finance and Accounts (if training is for more than 40 hours)

Disapproved requests for training will be acknowledged on the reverse side of Form H-830, or by memorandum citing reasons for disapproval. Form H-830 accompanying a disapproved request will be returned to the requesting office.

**Obligating Procedures**

If the training will require the expenditure of funds, appropriate Agency funds must be obligated before the Agency is committed to undertake the training. The original and all copies except one of Form H-830 will be forwarded to the Division of Finance and Accounts by the Division of Personnel. If funds are available the Division of Finance and Accounts will complete Item 13, retain one copy, and return the original and the other copies to the Division of Personnel. If funds are not available, the Division of Finance and Accounts will so notify the Division of Personnel.

When all administrative clearances have been made and the request

approved, the Division of Personnel will then take the necessary steps to order the training.

If the final cost of training will be less than the amount originally estimated and reserved, or if the expenditure will not be made, the Division of Personnel will advise the Division of Finance and Accounts by memorandum as soon as such situation becomes known, in order that the related obligation may be reduced or cancelled, as appropriate. However, if the final cost of training will exceed the amount of funds previously reserved, an additional fund reservation, properly documented, shall be secured from the Division of Finance and Accounts prior to incurring obligations therefor.

#### **Notification of Completion of Out-Service Training**

Upon completion of an approved tour of out-service training by an employee, the original requesting office should notify the Division of Personnel by memorandum. An information copy shall be transmitted to the Division of Finance and Accounts, Payroll Section.

#### **Notification of Failure to Complete Out-Service Training**

If, at any point in his training period, regardless of length, an employee fails to complete his training satisfactorily, the requesting office should promptly notify the Director of Personnel. A decision of action to be taken in such cases shall be made on an individual basis by the Director of Personnel. "Satisfactory completion" of training will normally mean meeting the usual requirements of the organization or institution offering the training.

#### **Employee Agreement Requirement**

Each employee given out-service training of more than 40 hours shall be required to agree in writing to remain with the Agency for at least three times the length of the training period or repay the additional expenses of the training, unless he is involuntarily separated. For training costing \$500 or more, exclusive of compensation, per diem and transportation, the employee must agree to remain with the Housing and Home Finance agency for at least three times the length of the training period or six months, whichever is longer, or repay the additional expenses of the training unless he is involuntarily separated.

#### **Failure to Fulfill Agreements**

An employee who plans to leave the Agency and transfer to another Government agency before completing the required service obligation period shall notify the Director of Personnel through his supervisor in writing at least ten working-days before the date of the proposed action. The Director of Personnel will determine whether total repayment shall be required or if repayment would be against equity, good conscience, or the public interest. The employee will be notified of his decision as soon as practicable and prior to the employee's leaving the HHFA.

An employee who fails to give at least ten work-days advance notice

of his intention to leave the HHFA and transfer to another Government agency before completing the required service obligation period, and does leave the agency, will be liable for repayment of the additional expenses incurred by the Government in connection with the training covered by the agreement. The Director of Personnel will determine whether total or partial repayment shall be required or if such repayment would be against equity, good conscience, or the public interest.

Any other employee who fails to fulfill the terms of his service obligation will be required to pay to the Government additional expenses incurred in connection with his training unless the Director of Personnel, determines that repayment would be against equity, good conscience, or the public interest. Employees who fail to fulfill the terms of their service obligation because of involuntary separation are not required to make repayment.

In each case when an employee will be required to make total or partial repayment or when repayment will be waived, the Division of Personnel will immediately notify the Division of Finance and Accounts, Payroll Section.

#### **Training Expenses to be Borne by OA**

Training expenses which the OA may pay in connection with out-service training include travel, per diem, tuition, registration fees, matriculation fees, library and laboratory services, purchase or rental of books, materials, and supplies, and other services or facilities directly related to the training of employees. In addition, the transportation of immediate family, household goods, and personal effects, and related transportation services may be paid by OA when the costs do not exceed the estimated per diem payments for the period of training. Membership fees shall not be paid unless such fees are a necessary cost directly related to the training itself or when the payment for membership will result in a total savings to the Government for the training.

Per diem will be authorized in accordance with Section 4-4, "Per Diem for Travel Within the Continental United States."

#### **Method of Computing Training Period**

Normally, employees assigned to out-service training are expected to conform to the usual attendance practices of the training facility. However, an employee assigned to full-time training in a non-Government training facility will be counted as being in training the same number of hours he is in pay status during his training up to a maximum of 8 hours per day or forty hours per week. An employee assigned on less than a full-time basis will be counted as being in training for the number of hours he spends in class or with the instructor in such training. Training time does not include study time or time spent in going to and from class.

### **Time and Attendance Reporting**

An employee assigned to full-time training away from his official station will be considered in continuous duty and pay status, even though the usual hours and rules of attendance of an out-service training facility are at variance with the normal Federal tour of duty hours. Such variance shall not result in charges to leave against the employee nor in claims for overtime.

On the other hand, absences of an employee for purposes generally covered by Agency annual and sick leave policy shall continue to require the application of the usual leave approval procedures and charges to the appropriate leave account. Consequently, if leave is taken for any reason, the employee shall submit a properly executed S. F. 71, *Application for Leave*, to his leave approving officer. If possible, the completed S. F. 71 shall be submitted prior to taking the requested leave.

### **Acceptance of Contributions, Awards, and Payments**

The Assistant Administrator (Administration) may authorize an employee to accept a contribution or award, in cash or in kind, incident to training in non-Government facilities, or accept payment, in cash or in kind, of travel, subsistence, and other expenses incident to attendance at meetings, if such contribution, award, or payment is made by an organization determined by the Secretary of the Treasury to be exempt from taxation under the Internal Revenue Code of 1954 and if the contribution, award, or payment is not a reward for services rendered the organization prior to the training or meeting, and its acceptance would otherwise be proper and ethical under CSC regulations.

Requests for approval to accept such contributions, awards, and payments shall be made through the Division of Personnel to the Assistant Administrator (Administration), with sufficient documentation to indicate the nature of the organization making the offer and the conditions under which the contribution, award, or payment is to be made.

Approval of such requests shall be handled on an individual basis. Where expenses incident to out-service training are reduced by the approved acceptance of awards, contributions, and payments, a proper reduction shall be made in the Government payment as described in Bureau of the Budget Circular No. A-48.

### **Attendance at Meetings**

Attendance at meetings or conventions by HHFA employees primarily to represent the Agency or to present the Agency's views in a particular area will be requested and authorized as outlined in Section 4-2.

Attendance at meetings or conventions by HHFA employees for training purposes will be requested on Form H-830 and will be processed according to procedures outlined in this Section as an out-service training request.

EXHIBIT A

HOUSING AND HOME FINANCE AGENCY OFFICE OF THE ADMINISTRATOR			H-890 (3-61) Date _____														
<b>REQUEST AND AUTHORIZATION FOR TRAINING</b>																	
1. EMPLOYEE'S NAME		2. TITLE, GRADE, SALARY	3. DATE OF BIRTH														
4. TYPE OF APPOINTMENT	5. YEARS OF CONTINUOUS CIVILIAN SERVICE	6. ORGANIZATION - OFFICIAL DUTY STATION															
7. DUTIES ( <i>Emphasize relationship of employee's present and future work to need for recommended training</i> )																	
8. TITLE AND DESCRIPTION OF TRAINING ( <i>Attach announcement if available</i> )		9. NAME AND LOCATION OF FACILITY															
		10. TRAINING PERIOD From _____ To _____ No. of workdays _____															
		11. PERCENTAGE OF TRAINING ON Official time _____ Employee time _____															
		12. ESTIMATED COST															
13. FUND RESERVATION		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">HHFA</th> <th style="text-align: center;">EMPLOYEE</th> </tr> </thead> <tbody> <tr> <td>Tuition &amp; Fees</td> <td>\$ _____</td> <td>\$ _____</td> </tr> <tr> <td>Transportation &amp; Per Diem</td> <td>\$ _____</td> <td>\$ _____</td> </tr> <tr> <td>Other</td> <td>\$ _____</td> <td>\$ _____</td> </tr> <tr> <td>TOTAL</td> <td>\$ _____</td> <td>\$ _____</td> </tr> </tbody> </table>		HHFA	EMPLOYEE	Tuition & Fees	\$ _____	\$ _____	Transportation & Per Diem	\$ _____	\$ _____	Other	\$ _____	\$ _____	TOTAL	\$ _____	\$ _____
	HHFA	EMPLOYEE															
Tuition & Fees	\$ _____	\$ _____															
Transportation & Per Diem	\$ _____	\$ _____															
Other	\$ _____	\$ _____															
TOTAL	\$ _____	\$ _____															
Funds are available to cover obligations in the amount of \$ _____ .  Signature _____ Date _____																	
14. EMPLOYEE AGREEMENT ( <i>Required for training in non-Government facilities of more than 40 hours duration</i> ) I agree to remain in the HHFA service after completion of the training described above for a period at least three times the length of the training period or, if the training costs \$500 or more (exclusive of compensation, per diem and transportation), three times the length of the training period or six months, whichever is longer. I further agree that if I am voluntarily separated prior to expiration of the agreed period of service, I will pay the Government the additional expenses of such training, and that if I do not satisfactorily complete the training I will repay the additional expenses of such training. I agree to give the Director of Personnel, through my supervisor, at least 10 workdays' notice in writing if I intend voluntarily to separate from the HHFA prior to the expiration of the agreed period of service.  Signature _____ Date _____																	
REQUESTED BY: Signature _____ Name _____ Title _____		<input type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED ( <i>See reverse side of Form</i> ) The training specified for the above employee is hereby authorized in accordance with Public Law 85-507, Civil Service Commission Regulations, and Agency prescribed standards.  Signature _____ Title _____ Date _____															
CLEARANCES: <table style="width: 100%;"> <thead> <tr> <th></th> <th style="text-align: center;">INITIAL</th> <th style="text-align: center;">DATE</th> </tr> </thead> <tbody> <tr> <td>Personnel</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>Other</td> <td>_____</td> <td>_____</td> </tr> </tbody> </table>			INITIAL	DATE	Personnel	_____	_____	Other	_____	_____							
	INITIAL	DATE															
Personnel	_____	_____															
Other	_____	_____															

(Over)

**EXHIBIT A (Page 2)**

**INSTRUCTIONS FOR COMPLETING FORM H-830**

Form H-830 should be completed on all requests for training in non-Government facilities or Government facilities on a reimbursable basis. Requests should be submitted to the Director of Personnel in the Central Office and to the Director, Administrative Branch, in the Regional Office. After approval, copies of the form should be returned to the Director of Personnel or the Director, Administrative Branch, for distribution.

Requesting and approving officials need sign only the original of the form; facsimile signatures may be used on the copies. For training of more than 40 hours duration, the employee to be trained must sign the agreement portion at the bottom of the form on the original and all copies.

Requests must be submitted at least twelve workdays in advance of the beginning of the training.

The following instructions should be noted in completing Form H-830.

- Item 1* - Show last name, first name, middle initial.
- Item 2* - Show position title, GS grade and annual salary.
- Item 3* - Show date in numerals (10-20-30).
- Item 4* - Show career, career-conditional, or other type of appointment.
- Item 5* - Years of current continuous civilian service may include service in other agencies if there has been no intervening break.
- Item 6* - Show constituent, office, or division name and official duty station.
- Item 7* - Describe current duties and responsibilities and indicate clearly how the employee or program will benefit from increased knowledge or skills acquired through this training.
- Item 8* - Describe proposed training, including content and method; a copy of the announcement may serve this purpose.
- Item 9* - Show school, university, professional organization, company, or other training facility and its location.
- Item 10* - In computing workdays for full-time training, show the number of days to be spent in training but not in excess of 5 days per week. For part-time training determine actual hours in attendance and convert to 8-hour days. Do not include travel time in showing dates of training period or computing workdays.
- Item 11* - If all training is received during duty hours, show 100% on official time; if all training is received during off-duty hours, show 100% employee's time; if mixed, show proportions.
- Item 12* - Fiscal information needed for approval action and accounting purposes.
- Item 14* - Complete for training of more than 40 hours duration.

THIS TRAINING REQUEST IS DISAPPROVED FOR THE FOLLOWING REASON(S):

## Section 2

### TRAINING COMMITTEE

This Section provides for the establishment of a Training Committee, the members of which shall be designated by the Director of Personnel, to advise and consult with him on matters pertaining to employee development and training in the OA, CFA, and URA.

#### Composition and Selection

The Training Committee shall be composed of 15 members designated by the Director of Personnel and representing a cross section of supervisory and staff members in the OA, CFA and URA. Selection will, of necessity, be made only from Central Office personnel.

#### Functions

The Committee, operating as a Committee of the whole or in panels of from 3 to 5 members, will have the following major functions.

1. In connection with all Employee Development and Training Activities, including the Housing Intern Program :
  - a. Advise and consult with the Director of Personnel on training needs and policies.
  - b. Review proposed employee development plans and programs making recommendations on suggested changes or modifications.
2. In connection with the Housing Intern Program :
  - a. Review proposed rotation assignment schedules submitted by Sponsors of Housing Interns to see that they are (1) sufficiently comprehensive to provide the Intern with a broad look at HHFA programs; and (2) appropriate to the Intern's area of specialization.
  - b. Conduct individual interviews of each Housing Intern at the end of three months of training, at the conclusion of his formal training period, and at other times as appropriate in order to (1) determine the Intern's depth of understanding of the Agency organization, policies and programs; (2) get an impression of the Intern's ability to express himself; (3) ascertain if the Intern's assignment in the agency is generally appropriate; (4) determine generally the effectiveness of the Intern's training program; (5) determine what the Intern has learned about his job; and (6) find ways to improve the Program for all Interns.

#### Operation

Meeting of the Training Committee will be held at the call of the Director of Personnel and will be conducted under his chairmanship or that of the Training Officer. Normally, the full Committee will be

called to discuss general employee development and training policy matters; panels of smaller groups will be used for interviews of Interns and for the consideration of specialized phases of the employee development program.

## **Section 1**

### **GENERAL TRAINING POLICIES AND PROCEDURES**

This Section outlines the basic policy, general standards, responsibilities, and procedures for training and development of Central Office employees.<sup>1</sup>

#### **POLICY**

Training and employee development programs will be sponsored to achieve more efficient and effective operations and to attain program goals. It is the policy to supplement self-development efforts to employees through Agency-sponsored in-service and out-service training. Thus the Agency will aid in the development of skills, knowledge, and abilities which will best qualify employees for the performance of official duties.

Training will be sponsored to meet pre-determined and demonstrated needs and will be evaluated in terms of its contribution to the improvement of operations. There shall be equal opportunity in training, both in-service and out-service, for all employees without regard to race, creed, color, national origin, or sex.

#### **AGENCY TRAINING PLAN**

All major in-service and out-service training sponsored shall be a part of a continuous and comprehensive plan based on periodic surveys of training needs formally conducted by the Division of Personnel at least once every three years. Priority considerations by approving authorities in deciding what training shall be sponsored will be based on this plan. The plan will be amended and kept current by the Division of Personnel through consultation with line officials and the consideration of such factors as the availability of resources for training and changes in Agency programs.

#### **TRAINING THROUGH GOVERNMENT FACILITIES (IN-SERVICE TRAINING)**

##### **Definition**

In-service training is that conducted by Federal civilian or military personnel acting in their official capacities and on property owned or substantially controlled by the Government. Training within this definition may be within the HHFA or in another Government agency.

<sup>1</sup> See Section 3-2-7, Volume II, for Agency training policies and references to basic statutes and regulations.

**Responsibilities**

Each individual employee has a responsibility to put forth every effort to grow and develop in his job by using every means available to him in the work situation.

Management at all levels will review program operations on a continuing basis in order to identify problem situations which can be corrected by training, and will take steps commensurate with available resources to meet the training need. Specifically, constituent unit, office, and division heads will see that:

- (1) Reviews of training needs are conducted on a regular basis, making use of existing management records and production and staffing studies.
- (2) Funds are made available where possible when a sound training investment is indicated to fill a legitimate training need.
- (3) The use of training and employee development programs is encouraged when it is in the best public interest.
- (4) All in-service training conducted in their organization is properly evaluated.
- (5) All in-service training conducted in their organization is reported to the Director of Personnel; if possible, this advice should be provided at least two weeks prior to the training.

The Division of Personnel will:

- (1) Serve as an information clearing house and consultant on training and employee development matters.
- (2) Develop procedures and policies on the conduct of training and employee development programs.
- (3) Devise improved training techniques and training aids for use of all levels of supervision and administration.
- (4) Promote the use of improved training techniques and training aids wherever operating needs require them.
- (5) Plan, organize and direct central training projects under circumstances where in-service training can be more economically and effectively handled across organizational lines.
- (6) Review training needs at least once every three years.
- (7) Coordinate training and nominations for training by or in other agencies.
- (8) Coordinate participation of constituent employees in training programs of another constituent.
- (9) Audit and evaluate in-service training programs as appropriate.
- (10) Prepare training reports required by the Civil Service Commission, the Congress, or other outside authority.

for at least three times the length of the training period or repay the additional expenses of training unless he is involuntarily separated from the Agency. This agreement has been waived for training courses of 40-hours' duration or less, for training courses that involve no additional expense to the Government other than salary, pay or compensation, or for correspondence training courses. (Also see "Employee Agreement Requirement" below for an Agency requirement.)

- (8) An employee may not receive more than one year of out-service training during his first ten years of Federal civilian service and in each ten-year period after that. Waivers to Items(5), (6), and (8) may be granted by the Deputy Administrator in accordance with Section 39.305 of Civil Service Commission regulations.
- (9) Training may not be authorized by, in or through any non-Government facility any substantial part of the activities of which is:
  - (a) The carrying on of propoganda, or otherwise attempting to influence legislation ; or
  - (b) The participation or intervention in any political campaign on behalf of any candidate for public office.
- (10) Training may not be authorized by, in, or through any non-Government facility that discriminates on the basis of race, creed, color, or national origin in the admission or subsequent treatment of students.

#### Requests and Approvals—Levels of Authority

Single requests for out-service training of more than 120 hours or costing more than \$500 exclusive of compensation, per diem and transportation, or training involving the employment of an instructor with a fee of more than \$300, shall be requested by the constituent unit, office or division head and will require the approval of the Deputy Administrator.

Single requests for out-service training of more than 80 hours but not more than 120 hours or costing more than \$300 but not more than \$500 exclusive of compensation, per diem and transportation, or training involving the employment of an instructor with a fee of more than \$200 but not more than \$300, shall be requested by the constituent unit, office or division head or his designee and will require the approval of the Assistant Administrator (Administration).

Single requests for out-service training of 80 hours or less or costing \$300 or less exclusive of compensation, per diem and transportation, or training involving the employment of an instructor with a fee of \$200 or less, shall be requested by the constituent unit, office or division head or his designee and will require the approval of the Employee Development Officer or the Director of Personnel.

Requests for training by, in, or through a foreign government or international organization, or instrumentality of either, shall be made by

the constituent unit, office, or division head and will require the approval of the Administrator, who has authority to designate such organizations as eligible to provide training after consultation with the Department of State.

#### **Selection of Employees for Out-Service Training**

Upon determination that training in non-Government facilities will promote efficiency and economy of operations, the selection of an employee to be trained shall be based on the following considerations:

- (1) The degree of the employee's need for training.
- (2) The extent to which the employee's knowledge, skill, attitudes, or behavior is likely to be improved by training.
- (3) The extent to which the employee is believed willing and able to apply the training upon return to the job.
- (4) The length of time it will take for the Agency to benefit from the training.
- (5) Training opportunities previously afforded the employee.
- (6) How much benefit the Agency will receive from the training.
- (7) The employee's own interest in and efforts to improve his work.

When training is to be given to some, but not all, employees in a given occupational or organizational group, the above considerations should be applied on a relative basis.

#### **Selection of Out-Service Training Facilities**

The principal criterion for selection of non-Government facilities for training shall be the ability of such facilities to meet the training needs effectively, economically and in a timely fashion. Where there is a choice among facilities, such factors as the following will be taken into consideration:

- (1) Competency to provide particular training needed.
- (2) Relative cost of the training.
- (3) Geographic accessibility of the training facility.
- (4) Availability of training at the particular time and place it is needed.
- (5) Practicability of administrative arrangements involved.
- (6) Any other factors which bear upon the facility's ability to meet the training needs.

Competitive bidding will be used when substantial contracts are to be let for out-service training, provided the bid procedure is practical in terms of the specific training needs to be met.

#### **Procedure for Requesting Out-Service Training**

Form H-830, *Request and Authorization for Training*, shall be used to request training in non-Government facilities. If further explanation or justification is necessary, a memorandum should accompany Form H-830. A memorandum should always be used to request the services of a non-government instructor. Memorandums should be prepared and transmitted to the Director of Personnel in the same number

### **Section 3**

## **FULL TIME ACADEMIC TRAINING**

### **INTRODUCTION**

All HHFA employees are expected to bring to their jobs the requisite knowledge, skill, and technical competence which qualifies them for their positions. As they advance up their respective career ladders, however, the Agency is interested in encouraging employees to improve themselves and to keep pace with technical and professional changes. This development process is regarded as a mutually beneficial activity in which both the HHFA and the employee have a part. While a great deal can be accomplished through self development efforts and through use of Government in-service training facilities, sometimes the most logical method for employees to increase their competency is through full-time academic training. (The term here is used to cover training in the academic setting of one academic session—trimester, semester, etc.—or longer, but does not include special training programs such as executive development courses which are usually apart from the regular academic program of the institution.)

It is appropriate, therefore, for the Agency to provide an atmosphere in which full-time academic training in a field related to the Agency's programs or management can be provided with the understanding that absence from the job for such purposes will not jeopardize an employee's career with the Agency. The Agency will also show active support for those employees who improve themselves through such training by giving full recognition to it in merit promotion program considerations and in making selections for further training. In some cases the Agency will go further and will provide active financial support. The amount and type of support, must, of course, necessarily vary with the individual situation, and will be influenced by availability of resources to pay for the training and relative demands upon such resources.

### **AGENCY SUPPORT FOR FULL-TIME ACADEMIC TRAINING**

In order to encourage employee self development, the Agency will, whenever feasible under the policies of this section, support individual employees' decisions to take full time academic training. Agency support may involve granting annual leave or leave without pay, giving credit for academic achievements in the course of the administration of its personnel management and promotion plans, and in more unusual cases by providing financial support of those chosen for full time academic training under Agency procedures.

**INDIVIDUAL ELIGIBILITY REQUIREMENTS FOR AGENCY SUPPORTED  
FULL-TIME ACADEMIC TRAINING**

Although circumstances will differ, the following criteria indicate the situations in which full-time academic training related to Agency responsibilities may be indicated:

1. When training is necessary to up-date professional and technical competence because of developing new knowledge and technological changes related to the work of the Agency;
2. When a developing employee must make the transition from a purely professional or technical position to one including significant managerial responsibilities, perhaps at a higher level of management; and
3. When it is in the best interest of the Agency to provide an employee with some academic perspective about the Government programs which he has or will have a part in administering.

Agency financial support under this Section cannot be given to an academic program whose primary purpose is achievement of a degree, or to one to equip an employee to practice a different profession from one in which he is employed by the Agency. The application of these criteria would also include the test of the relationship of the training to the work of the Agency and the individual position. (See Section 2-9-1, Volume III and Volume V).

In reaching a decision that the reason for the training is such that Agency support is appropriate, as indicated above, the recommending supervisor and the selection official or committee shall apply the following criteria:

1. The employee's need for the training proposed;
2. The demonstrated potential of the employee to absorb the additional training and apply it to the Agency work situation;
3. The demonstrated interest and ability of the employee to complete the proposed educational program; and
4. The likelihood that the employee will meet the academic and other requirements of the proposed educational institution.

In addition, the Committee or selecting official should consider the likelihood of the employee under consideration continuing his career with the Housing and Home Finance Agency beyond any nominal period required by law or regulation.

**REQUIREMENTS FOR LWOP DURING TRAINING**

Any full time permanent employee accepted by an accredited educational institution for full time academic training may be granted leave without pay for a period of no more than one calendar year at a time under the following circumstances:

1. The employee is in good standing and considered by his supervisor and employing office to be working at an acceptable level of competence.
2. The employee will have been with the Agency for at least one year at the time the proposed training is scheduled to begin.
3. There is a reasonable likelihood that the employee will return to the Agency.
4. There is a reasonable expectation that the proposed training or education will in the future benefit the Agency through increased employee effectiveness.

**PREREQUISITE FOR AGENCY FINANCIAL SUPPORT**

Agency financial support for employees will be granted those employees who meet the individual eligibility requirements (given earlier in this Section) and are selected through one of these two procedures:

1. Employees chosen through an Agency competitive selection process announced for this purpose.
2. Employees chosen through their participation in a special training plan described below; provided that, unless specifically excepted, the requirements of the Agency promotion plan must be met whenever the special plan provides for promotion.

**Selection Through Agency Competition**

Eligible employees will be regarded as having been selected in competition when there has been an appropriate announcement made by memorandum to management or through the regular training announcement system inviting supervisors to recommend or employees to apply for the particular program.

While this selection process will often be in connection with a special award by an outside source such as the National Institute of Public Affairs Career Education Award Program, it will not necessarily be limited to this type of program.

The training announcement or memorandum will indicate the degree of HHFA participation and will specify the selection method or procedure.

**Special Training Plans**

In the course of management and program planning, it is often expedient to make specific provision for the orderly development of personnel as an integral part of the program planning. While the formalization of such training plans is more usual when broad new program changes or when work processes are to be affected radically, as in automation, regular organizational planning in those parts of the Agency doing technical and professional work may find formal develop-

ment plans for individuals, classes of employees, or for whole organizations both appropriate and expedient. Such plans are called Special Training Plans.

Special Training Plans for individuals or groups of employees in similar positions or employment conditions are essentially formal written commitments by management outlining in some detail the training and education plan or program for these employees. Whenever a special training plan includes full-time academic training it must be initiated by the employee's immediate supervisor, and have the specific approval of the Constituent unit, Regional Administrator or OA office head and include:

1. A full statement of purposes and objectives for the total training plan;
2. A description of how the plan will be carried out including selection methods and a description of the academic training included;
3. A specific outline of how the full-time academic training will further the employee development objectives;
4. An indication of the degree of Agency financial support; and
5. An estimated breakdown of the Agency out-of-pocket costs.

The plans should be submitted to the Director of Personnel who will be responsible for obtaining any necessary additional administrative clearances and for approval of the training plan.

The Employee Development Branch offers counseling and advice to supervisors, administrative personnel and employees affected by such plans in the design of the training plan and in relationships with the academic institutions involved.

#### NATURE OF AGENCY FINANCIAL SUPPORT

The Government Employees Training Act grants the Agency wide discretion in the extent of its financial participation in training in facilities outside the government. The instructions and requirements of Section 2-9-1 regarding training through non-government facilities are applicable to full-time academic training.

Such training may be supported by payments for the following:

1. All or part of the salary of employees in training.
2. Reimbursement to the employee, direct payment to the institution, or payment in advance to the institution or employee in anticipation of expenses for:
  - a. Tuition, matriculation fees, library and laboratory services.
  - b. Purchase or rental of books, equipment, materials, and supplies.
  - c. Other expenses directly related to the training of the employee.

3. The cost of travel, per diem, transportation of family and household goods whenever such expenses would be less than payment of per diem.

Membership fees in on-campus or other organizations are not allowed unless they are directly related to the cost of training. Payment for employee overtime, holiday or night differential during full-time training is precluded.

The extent of such formal support will be subject to the availability of funds and will generally be indicated in the Agency announcement of the training or contained in the special training plans. As a matter of general intent, the financial arrangements shall be such that the employee participating in the training shall experience neither significant financial loss nor significant gain as the result of expenses in connection with his training.

#### ACCEPTANCE OF TRAINING GRANTS BY EMPLOYEES

Frequently because of the temporary nature of the training assignment and the employee's significant financial and personal obligations there are likely to be certain costs connected with the maintenance of different households; in the movement of dependents; in the sale or rental of the home; temporary high rentals and other living costs; special educational materials; and other costs over government set maximums or expenses which the government does not normally pay. Cash grants to cover these costs are sometimes offered to employees selected for special training programs by universities, foundations and other qualifying institutions.

Since these grants may only be accepted when approved by the Administrator or his designee, the Form H-830 *Request and Authorization for Training* must indicate the amount or amount limits of the grant, its purpose, and the institution offering it to allow for specific approval and documentation of the award.

The Agency will not pay for an item of expense for which the employee receives grant money. Employees accepting a grant must submit a written statement specifying:

1. The grant was used to pay expenses connected with the training not paid for by the government.
2. The category of expenses for which the grant was used. (This information should be in sufficient detail to indicate that money was in fact used in connection with the training, but a complete dollar-by-dollar, item-by-item accounting, will not be required).

The statement is required within two weeks of the end of training unless the employee requests and receives an extension of this time limitation on such grounds as the impracticability of the deadline because the employee does not yet have all necessary expense information.

BUDGET AND  
FISCAL CONTROLS

3



## Section 1

### ADMINISTRATIVE CONTROL OF FUNDS

These procedures are designed to insure that fund limitations established by the Congress and the Bureau of the Budget are observed, that funds are used for the purposes for which appropriated, and that administrative expenses will be held to the minimum amounts required for the successful operation of programs authorized by the Congress. These procedures are based on the Anti-deficiency Act<sup>1</sup> and supplement those contained in Budget-Treasury Regulation No. 1 and Section 3-3-1 of Volume II.

#### RESPONSIBILITIES

In accordance with the law and regulations, the Administrator designates the following officials as those responsible for the administrative control of funds within the Office of the Administrator:

(1) *The Director, Budget and Organization Staff*, as the official responsible for the allotment of all funds becoming available for programs assigned to the Office of the Administrator, Community Facilities Administration, and Urban Renewal Administration. The Director may authorize allottees to sub-allot such funds.

(2) *The OA Fiscal Officer*, as the official responsible for maintaining or supervising the maintenance of accounts and records of all funds of the Office of the Administrator and for preparing periodic reports indicating the status of the various appropriation, apportionment, allotment, and distribution accounts, and for notifying the Director, Budget and Organization Staff, when it appears, from data available to him, that any allotment has been or is likely to be exceeded.

(3) *The Assistant Administrator (Administration)*, as the official responsible for determining and informing the Administrator of all violations of the Anti-Deficiency Act and of the regulations issued thereunder, and for recommending disciplinary action where appropriate.

#### ALLOTMENT OF FUNDS AND CONTROL OF ALLOTMENTS

In the exercise of the responsibility for the allotment of funds assigned to him, the Director, Budget and Organization Staff, has designated the OA Fiscal Officer as the allottee for funds allotted for Central Office activities and the Regional Administrators as allottees for funds allotted to their respective Regional Offices. Allotments or other authorizations will be limited to amounts apportioned by the Bureau of the Budget. Allottees shall restrict obligations and expenditures to the amounts available in the allotments issued to them and shall insure that funds so allotted are obligated only under the terms of the allotment documents, applicable laws and regulations, and pursuant to all administrative approvals required by existing administrative procedures.

<sup>1</sup> Section 3679, Revised Statutes, as amended (31 U.S.C. 665).

Officials having authority to incur obligations and commitments against funds shall be responsible for assuring that obligations incurred or approved by them are in accord with any administrative authorizations or limitations for their respective purposes, and for the prompt transmission of all obligation, commitment, and expenditure documents to the O A Fiscal Officer.

#### VIOLATIONS AND REPORTS

Under the provisions of the Anti-Deficiency Act, the Administrator is required to furnish to the President, through the Director of the Bureau of the Budget, and to the Congress, information on violations.<sup>1</sup> Violations cover all transactions in conflict with the Act and the regulations issued thereunder, including:

- (1) allotment of funds in excess of, or in the absence of, apportionment and/or appropriations.
- (2) over-obligation, over-expenditure, or over-commitment of allotments of funds.
- (3) incurring an obligation of funds controlled by allotment when such funds have not been made available through an allotment advice.
- (4) deliberate failure to record obligations and expenditures against allotments.
- (5) deliberate application of obligations and expenditures against allotment accounts established for purposes other than those for which the obligations or expenditures are incurred.

Any employee having knowledge of any violation shall immediately report such violation to the Assistant Administrator (Administration).

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<sup>1</sup>Section 3679 provides in part: "(i) (1) In addition to any penalty or liability under other law, any officer or employee of the United States who shall violate subsection (a), (b) or (h) of this section shall be subjected to appropriate administrative discipline, including, when circumstances warrant, suspension from duty without pay or removal from office; and any officer or employee of the United States who shall knowingly or willfully violate subsection (a), (b) or (h) of this section shall, upon conviction, be fined not more than \$5,000 or imprisoned for not more than two years, or both."

### **Section 3**

## **CONTROL OF CASH RECEIPTS**

This section prescribes procedures for the handling of money delivered to the OA Mail Room or to employees acting as representatives of the Office of the Administrator, whether such money is in the form of checks, money orders, stamps, or currency and whether such money represents an official or a personal remittance. The term official remittance as used hereinafter means (a) any remittance which is the property of the Office of the Administrator, (b) any remittance presented as payment for OA publications for forwarding to the Government Printing Office, or (c) any remittance received in the Mail Room which is the property of another Government agency or a constituent agency.

The procedures are designed to protect both the Office of the Administrator and the individual employees whose duties require them to handle money so delivered. It is important that every OA employee having such duties be familiar with this Section. Supervisors at all levels are responsible for calling this Section to the attention of their employees and for securing adherence to the procedures herein.

#### **DISPATCH OF REMITTANCE DOCUMENTS**

Any office transmitting a remittance to another office shall include therewith all related documents received with the remittance, including the original envelope, to facilitate correct processing. However, courtesy copies and bulk material not essential to correct disposition need not be sent with the remittance.

#### **REMITTANCES RECEIVED BY INDIVIDUALS**

Remittances of funds which are the property of the Office of the Administrator are occasionally delivered directly, rather than through the mails, to employees acting as representatives of the Office of the Administrator. Also, such remittances are sometimes forwarded in envelopes addressed to a specific employee and marked "personal." Since the Mail Room does not open mail so marked, remittances so transmitted are not recorded in the Mail Room.

Any employee who receives a remittance which is the property of the Office of the Administrator shall be responsible for immediately delivering the remittance and any related documents to the Division of Finance and Accounts attaching a note stating the date and hour of receipt. If a remittance is not accompanied by supporting documents, the note should identify the source and purpose of the remittance.

Whenever the circumstances make such action desirable, the Division of Finance and Accounts will prepare a letter to the remitter acknowledging receipt and requesting that future remittances be addressed to the Office of the Administrator, Division of Finance and Accounts, and be accompanied by a statement of the purpose of the remittance.

#### REMITTANCES RECEIVED BY MAIL ROOM

##### Official Remittances

The Mail Room shall record each opened item of mail found to contain an official remittance in a register maintained on Form H-56, *Incoming Negotiable and Registered Mail*. Each entry on the register shall be initialed by the person opening the item containing the remittance.

The opened mail and the Register shall then be given to the Control Desk.

##### Preparation of Form H-1, Mail Control

The control clerk shall prepare Form H-1, *Mail Control*, for each item containing an official remittance. The serial number of the H-1 shall be entered on the Form H-56 in the column headed "TO"; immediately after each serial number there shall be shown the first routing by means of the following symbols:

- (F) Remittance routed to Division of Finance and Accounts.
- (I) Remittance routed to Division of Information.

The control clerk shall initial each remittance entry on the Form H-56 and return it to the Mail Desk.

The control clerk shall remove one carbon copy of each Form H-1 covering a remittance as a pending copy; the mail shall then be given to the messenger for delivery as prescribed below. The messenger shall obtain receipts on the originals of Form H-1 and return the originals to the Control Clerk.

The pending copy shall be filed in the regular file of Forms H-1. The receipted originals shall be filed by serial number in a separate receipt file. Any advice subsequently received regarding disposition of the remittance should be entered on the receipted original. Receipted originals shall be retained for two fiscal years, and shall be made available for audit.

##### Remittances of a Personal Nature

Whenever mail containing remittances of a personal nature is received in the Mail Room the following instructions shall apply:

- (1) Remittances forwarded to employees in Treasury Department check-mailing envelopes shall not be opened and, consequently, shall not be recorded.

- (2) Remittances forwarded to employees in envelopes marked personal shall not be opened nor recorded. (Refer to the instructions in this Section under the heading Remittances Received by Individuals, which are to be followed when the addressee discovers that such remittances are the property of the Office of the Administrator.)
- (3) Remittances forwarded to employees in envelopes, other than Treasury Department envelopes, which are not marked personal shall be opened. If such remittances are found to be personal they shall not be recorded.

**Delivery of Remittances**

A remittance which is clearly the personal property of an employee shall be delivered to that employee directly.

A remittance presented as payment for OA publications shall be sent to the Division of Information for transmittal as described below.

All other remittances discovered in mail opened by the Mail Desk shall be delivered to the Division of Finance and Accounts for disposition as described below.

**DISPOSITION OF REMITTANCES****Division of Information**

The Division of Information shall forward to the Government Printing Office any remittances of coins or stamps received in payment for publications, noting such action and the date thereof on the Form H-1 which shall be filed by serial number to facilitate audit.

Checks received in payment for publications shall be sent to the Division of Finance and Accounts for endorsement and transmittal to the Government Printing Office. The Division of Information shall retain one copy of each Form H-1 with the action noted thereon.

**Division of Finance and Accounts**

The Division of Finance and Accounts shall record each remittance received by it in a register maintained in such manner as will facilitate the Division's observance of the regulations governing deposit or disposition of agency receipts. If a Form H-1 is received with a remittance, the serial number shall be shown in the register entry. Disposition shall be noted on the Form H-1 which shall be filed by serial number.

Checks received for payment of publications shall be endorsed and transmitted immediately to the Government Printing Office along with any correspondence received with the remittances.

Normally, official cash remittances shall be deposited by the Division of Finance and Accounts within forty-eight hours following receipt

thereof in the Office of the Administrator. However, if a remittance is found to be the property of another Federal office or agency or a constituent agency, the Division of Finance and Accounts shall seal the remittance and all accompanying documents in an envelope addressed to the other office and send it with Form H-33, *Request for Special Messenger Service*, to the Mail Room for delivery. The messenger will obtain a receipt on the original of the Form H-33. If the Division cannot determine ownership within the 48-hour period, the remittance shall be deposited pending identification of the owner.

Following deposits of official cash remittances for credit to the accounts of the Office of the Administrator, any correspondence or other documents which are properly for the attention of other OA offices shall be released to such offices by the Division of Finance and Accounts.

#### AUDITS

The Audit Division will examine the registers and copies of Form H-1 retained by each office in accordance herewith in the course of its periodic internal audits.

## Section 4

### USE OF IMPREST FUNDS <sup>1</sup>

#### REQUISITIONS

Supplies and equipment are ordered by submitting the original and two copies of Form H-10, *Requisition for Supplies and Equipment* (see Section 6-2), to the Property Management Branch, Division of General Services. If the Director, Division of General Services, or his designee, determines that the required items are to be purchased from Imprest Funds, the following endorsement shall be placed on the face of the requisition:

#### TO CASHIER:

Purchase is approved as to item, delivery, source, and amount described above. This form shall be considered as a purchase order for the purpose of supporting payment from Imprest Funds.

Date \_\_\_\_\_ Signature \_\_\_\_\_

The endorsement shall be dated and signed by the Director, Division of General Services, or his designee, and one copy of the requisition shall be returned to the requisitioning office for over-the-counter purchase.

#### Limitation

The maximum dollar amount of articles or services procured by use of imprest funds from one vendor at any one time shall not exceed \$50.00.

#### ADVANCE OF CASH

The employee designated by the requisitioning office to make the purchase shall submit the endorsed requisition to the Cashier. If in order, the Cashier shall advance the estimated amount of cash needed to make the purchase, obtain an *Interim Receipt for Cash* (stub attached to S.F. 1165, *Receipt for Cash-Subvoucher*), and return the requisition to the designated employee as authority to purchase the articles or services stated thereon.

If a purchase for which cash is advanced cannot be completed and the required receipt(s), as described below, returned by the end of the second business day following the date of the advance, the cash must be returned to the Cashier; otherwise the Cashier is required to take

<sup>1</sup> See also Sections 4-5 and 4-7.

immediate action toward recovery thereof. Supervisory officials shall, if necessary, take prompt and effective action to assist in recovering any cash advances, since the Cashier is accountable for such advances.

#### RECEIPT REQUIREMENTS

Each purchase made shall be supported by an original bill, sales slip, cash register ticket, invoice of the dealer, or equivalent receipt form itemizing the articles or services purchased and the amount thereof. In addition to these requirements, where individual purchases are for \$15.00 or more, the receipt form must be signed by the dealer or his agent as evidence of payment.

#### Action Upon Completion of Purchase

When the purchase has been completed and the articles or services have been delivered to the ordering office, the receiving certificate (lower left-hand corner of the requisition) shall be executed by the person receiving the item(s) purchased. The designated employee shall then surrender the requisition, together with required receipt(s), to the Cashier who shall mark the *Interim Receipt For Cash* stub "VOID" and return it to the employee. On the basis of the receipted documents, the Cashier shall make final settlement with the designated employee.

#### INSTRUCTIONS FOR CASHIERS

A "Manual of Procedures and Instructions for Cashiers" has been issued by the Treasury Department to all cashiers. The provisions of the Treasury Department manual, insofar as they pertain to the use of imprest funds as herein described, shall be followed. Of particular importance are the provisions of Section 3 of the Treasury Department manual, dealing with the advance of cash to cashiers for disbursing purposes and the transfer of responsibility and accountability for such cash.

**Section 5**

**ADDITIONAL WITHHOLDING OF TAX ON WAGES UPON AGREEMENT  
BY EMPLOYER AND EMPLOYEE**

Bureau of the Budget Circular No. A-26, Revised, dated May 2, 1960, provides:

“In order to utilize pay tables to the extent applicable and otherwise facilitate payroll and audit work, the following policy should be adopted when additional withholding of tax is involved.

- “1. Except as provided in paragraph 2, the amount of tax presently withheld plus the additional amount requested to be withheld each pay period shall conform to one of the amounts shown in the tax withholding tables as set forth in Section 3402 of Title 26 of the United States Code. For example, if an employee now has three exemptions, he may request that an amount be withheld equivalent to “2”, “1” or “0” exemptions.
- “2. In those cases where withholding is requested in excess of the amount provided by the “0” exemption, the amount to be withheld shall be that which may be agreed upon by the employing agency and the employee. Such withholding, however, should be a constant amount for each pay period.”

If an employee requests a withholding in excess of the amount provided by the “0” exemption (2. above) it has been determined that the excess amount of withholding shall be in multiples of \$1.00.

## **Section 6**

### **REQUESTS FOR DISPOSITION OF SALARY CHECKS AND SAVINGS BONDS**

Form H-200.64, *Request for Disposition of Salary Check and Savings Bond*, (Exhibit A), shall be used by employees to request disposition of their checks and bonds on a temporary or occasional basis, or to request disposition of their checks, by mail, on a permanent or continuing basis. For disposition of bonds on a permanent basis employees should contact their Administrative Officer to obtain Treasury Department Form No. 2254, *United States Savings Bond Authorization for Purchase and Request for Change*. Disposition of checks and bonds in connection with final salary payment when employees are separated or placed on leave without pay is provided for in the instructions in Section 2-4-3, Volume III.

Employees shall submit a separate Form H-200.64 for each pay day for which they wish to request a temporary change in the regular disposition of their checks and/or bonds. Distribution of checks and bonds in accordance with such requests will be limited to the pay day specified thereon.

When requesting permanent disposition of checks, the word "permanent" shall be shown on Form H-200.64 in the block entitled "Pay Day Affected" (see Exhibit A).

Form H-200.64, which may be obtained from Time and Attendance Clerks or Administrative Officers is furnished in sets of an original and one copy, and instructions for its preparation are provided thereon. Both copies of the completed form are to be submitted to the Designated Agent, Division of Finance and Accounts.

INSTRUCTIONS: Use this form to notify the Designated Agent, Division of Finance and Accounts (Central Office) or the Designated Agent, Administrative Division (Regional Offices) of disposition to be made of your salary check and/or Savings Bond on the pay day indicated. Complete on typewriter or legibly print, and send both copies forward. The address should include the ZIP Code. NOTE: Bonds cannot be mailed to banks. For further information and instructions, see the Administrative Practice Handbook, Volume III or V, Section 3-1-6.

HHFA-0A

REQUEST FOR DISPOSITION OF SALARY CHECK AND SAVINGS BOND

H-200.64  
(11-64)

TO:  Designated Agent; Division of Finance and Accounts (Central Office)  
 Designated Agent, Administrative Division (Regional Offices)

<input type="checkbox"/> Hold Check until _____, 19___. <input type="checkbox"/> Mail Check to address shown below.		<input type="checkbox"/> Hold Bond until _____, 19___. <input type="checkbox"/> Mail Bond to address shown below.		PAY DAY AFFECTED
THESE BLOCKS FOR USE BY DESIGNATED AGENTS		Fill in addressee and address to which check or bond should be mailed		
CHECK NO.	<div style="border: 1px solid black; width: 100px; height: 100px; margin: auto;"></div>			<div style="border: 1px solid black; width: 100px; height: 100px; margin: auto;"></div>
BOND NO.				
DATE MAILED				
EMPLOYEE'S SIGNATURE	ORGANIZATIONAL UNIT			DATE

EXHIBIT A

## Section 4

## CONTROL OF TRAVEL

This Section prescribes the procedure to be followed in controlling travel in the Central Office. Allowances of man-days in travel status will be issued quarterly to divisions and comparable organizational units. To get the most out of available funds, the system depends on thoughtful, reasonable and accurate requests and will require the cooperation of supervisors, individual travelers, and the staff responsible for maintaining the control records. Every effort will be made to handle the travel control so that reasonable requests for allowances can be approved. It is not intended that significant reserves will be withheld for unexpected contingencies since it is believed that all of the money available for travel will be needed, and that it can be used more constructively for known workload which can generally be planned in advance.

## REQUEST FOR TRAVEL ALLOWANCE

Requests for allowances of man-days in travel status shall be submitted in duplicate to the Budget Operations Unit, Budget and Organization Staff, by the 10th day of the month preceding the beginning of each quarter, on Form H-169, *Travel Allowance, Request and Advice* (Exhibit 3-3-4-A), with the request portion of the form completed. Definitions of the program categories for which travel may be required are contained in Section 3-3-2. In making travel requests, careful thought should be given to the purpose of anticipated travel so that the detail of the request by program will accurately represent travel needs in each of the categories for which the organizational unit has responsibility. The request should be accompanied by a memorandum indicating the localities to be visited and the general purpose of the anticipated travel.

## ALLOWANCES

Allowances will be issued by the 20th of the month preceding the beginning of a quarter so that travel may be planned in advance. The total allowances will be divided into such sub-limitations as are required by the limitation on the use of travel funds in the appropriation Acts for the current year, and into budgetary allocations indicating the number of days in travel status contemplated in the allowance for each of the programs for which the organizational unit has a direct or indirect responsibility. Advice of travel allowances will be made by the Budget and Organization Staff by the return of one copy of Form H-169 with the Allocation and Limitation columns filled in. Limitations stated in the allowance may not be exceeded for any reason. This is of the utmost importance in assuring the observance of legal fund limitations contained in the appropriation Acts. Budgetary allocations may be administratively adjusted to the extent of 10% for each program so long as the combined adjustments do not exceed a limitation. Allowances expire at the end of each quarter, and balances will not be added to the following quarter's allowance. There is an absolute dollar

## EXHIBIT 3-3-4-A

H-169 (8-52)		ORGANIZATIONAL UNIT Div. of Housing	
HOUSING AND HOME-FINANCE AGENCY OFFICE OF THE ADMINISTRATOR		QUARTER ENDING September 30, 1952	
TRAVEL ALLOWANCE Request and Advice		DATE June 10, 1952	
PROGRAM	MAN-DAYS IN TRAVEL STATUS		
	REQUEST	ALLOCATION	LIMITATION
1. Agency-wide Program Coordination and Supervision	60.0	40.0	
2. Slum Clearance and Urban Redevelopment Program			
3. Housing Research Program			
4. Alaska Housing Program			
5. Housing Loans to Educational Institutions	10.0	5.0	
6. Advance Planning Programs			
7. Programming Defense Housing and Community Facilities	10.0	10.0	
8. TOTAL - Salaries and Expenses Travel Limitation			55.0
9. Loans for Production of Prefabricated Housing			
10. Maintenance and Disposition of Project Properties			
11. Defense Community Facilities Program			
12. Defense Production Activities			
13. Isolated Defense Areas			
14. Disaster Relief Program			
15. School Construction Program (Administrative)	10.0	5.0	5.0
16.			
17.			
18.			
19.			
20.			
21.			
22.			
23. TOTAL ALLOWANCE			60.0

HHS-628, Washington, D. C.

Completed Form H-169, Travel Allowance, Request and Advice

limitation on the use of certain travel funds which the budget and fiscal staffs will undertake to observe through the controls provided in this procedure. However, the responsibility for compliance with the controls rests with the supervisor whose staff has reason to travel and with the individual traveler.

#### NECESSITY FOR REVISED REQUEST

If changes of more than 10% in one or more of the allocations, or any changes in the limitations, are deemed necessary, a request for revision of the allowance should be made to the Budget Operations Unit by submitting two copies of Form H-169 with a memorandum explaining the need for revision. This should be done early enough to permit the cancellation of trips which would use more than 100 percent of the days under limitation or 110 percent of the days covered by budgetary allocation should the Budget Operations Unit be unable to approve the requested revision because of other commitments.

#### RESPONSIBILITIES OF THE TRAVELER

##### Holder of Special Trip Authorization

In filling out Form H-25, *Travel Order—Request and Authorization*, the traveler should enter as Item 14 the number of days he will be in travel status and as Item 15 the program or programs to which the trip should be charged. If two or more programs are involved, the percentage to be charged to each program should be listed in Item 15. This is necessary to advise both the Finance and Accounts Branch and the person maintaining the *Travel Control Record* of the program or programs to which the travel should be charged. Any subsequent change in plans which effects a major change in the programs traveled for should be noted on the last line of the first page of the "Description" or "Character of Expenditures" section of the travel voucher when it is filed. Vouchers should be filed within 5 days after completion of travel. If two or more trips are contemplated within a given month, a combined voucher should be filed within 5 days after the completion of the final trip. If the traveler is to begin a trip during the first week of a month, he should make every effort to file his voucher for the previous month before he leaves.

##### Holder of General Travel Authorization

It is the responsibility of each holder of a General Travel Authorization, before he leaves Washington, D. C. on official travel, to assure himself that the travel allowance of his organizational unit contains a balance sufficient to cover the estimated duration of the trip. He is also responsible for having two copies of Form H-163, *Notice of Travel Under General Travel Authorization* (Exhibit 3-3-4-B), completed and routed, through the person maintaining the *Travel Control Record* in his unit, to the Finance and Accounts Branch as soon as the trip is approved. One copy will be returned to the traveler to be attached to his travel voucher. Notices for each traveler should be numbered consecutively in the upper right corner starting with "1" at the beginning of each fiscal year. This number should also be used in numbering trips when making out Travel Vouchers. The name of the traveler and his division or organizational unit should be entered

## EXHIBIT 3-3-4-B

H-163 (8-52)	HOUSING AND HOME FINANCE AGENCY OFFICE OF THE ADMINISTRATOR	No. <u>1</u>
<b>NOTICE OF TRAVEL UNDER GENERAL TRAVEL AUTHORIZATION</b>		
<u>P. R. May</u> , <u>Division of Housing</u> , will leave Washington, D. C. <small>(Name of Traveler)</small> on <u>July 2, 1952</u> for <u>8</u> days of travel <small>(Date)</small> under General Travel Authorization No. <u>046</u> for the following programs:		
PROGRAM	PERCENTAGE	\$ VALUE (F&A)
Coordination and Supervision	75%	
Programming Def.Hsg. and Comm. Fac.	25%	

HFA-1189, Washington, D. C.

**Completed Form H-163, Notice of Travel Under General Travel  
Authorization**

in the "name of Traveler" space on Form H-163, and the number of days in travel status, the program or programs chargeable for the travel, and the percentage chargeable to each, should be entered in the appropriate spaces in the same manner as provided in the preceding paragraph with regard to special travel authorizations. Any subsequent change in plans which effects a major change in the programs traveled for should be noted on the last line of the first page of the "Description" or "Character of Expenditures" section of the travel voucher when it is filed. Should a planned trip be canceled, the traveler's copy of Form H-163 marked "Cancel" should be routed to Finance and Accounts through the control clerk.

Prompt submission of Form H-163 is vital to the travel control system as it will be the obligating document for travel accomplished under a general authorization. Accurate records of travel costs will result only if travelers cooperate in the timely submission or cancellation of Form H-163.

Holders of General Travel Authorizations should submit one Travel Voucher for each month in which travel is accomplished, combining all trips made during the month. Vouchers, with the traveler's copies of Form H-163 attached, should be submitted not later than the 10th day of the following month. If travel is contemplated during the early part of the month and the traveler will be unable to file his voucher for

EXHIBIT 3-3-4-C

H-164 (4-52)		HOUSING AND HOME FINANCE AGENCY OFFICE OF THE ADMINISTRATOR				ORGANIZATIONAL UNIT Division of Housing QUARTER ENDING September 30, 1952 MONTH July, August, September							
ENTRY NUMBER (1)	NAME OF TRAVELER (2)	INFORMATION FROM TRAVEL ORDER OR NOTICE OF TRAVEL			ACTUAL NO. OF DAYS (From Travel Voucher) (5)	BALANCE OF ALLOWANCE BY ALLOCATION OR LIMITATION							DOLLAR COST OF TRIP (Per Budget Form 0-12) (13)
		DATE OF TRAVEL (3)	AUTH. NO. (4)	EST. NO. OF DAYS (6)		Total Allowance (7)	Coord. & Supervis. (8)	College Housing (9)	Frags. In Rooming & Comm. Fac. (10)	Contract (Admin.) (11)	(12)	(14)	
1	Allowance for Quarter					60.0	10.0	5.0	10.0	5.0			
2	May, P. R.	7/2 - 7/10	016-1	8.0	↓	52.0	34.0		8.0				
3	Jones, A. H.	7/3 - 7/6	162	3.0	↓	19.0	31.0						
4	Smith, P. M.	7/4 - 7/8	166	3.5	↓	15.5	29.0	3.5					
5	Bell, A. T.	7/15 - 7/20	175	5.75	↓	32.75	25.0				3.25		
3-v	Jones (Voucher)	7/3 - 7/5	162	3.0	2.0	10.75	26.0						
5-v	Bell (Voucher)	7/15 - 7/20	175	5.75	5.25	11.25	26.5				3.25		
6	Jones, A. H.	7/31 - 8/6	185	6.5	✓	31.75	22.0		6.0				
7	Wills, F. C. (WAK)	8/5 - 8/7	189	2.0	↓	32.75			4.0				
1-v	Smith (Voucher)	7/4 - 7/8	166	3.5	3.5	32.75	21.0	4.5					
2-v	May, (July Voucher)	-----	016-1	8.0	5.0	35.75	23.0		5.0				
					July Report Submitted, 8/9/52								
7-4	Wills, F.C. (Supp.)	8/7 - 8/8	189a	1.0	↓	31.75	23.0	1.5	4.0	3.25			
8	Hogan, O.H. (R.L.)	8/12 - 8/16	196	3.0	✓	31.75		3.5	2.0				
9	Brown, R.W. (WOC)	8/17 - 8/24	207	7.5	↓	21.25	15.5						
10	Jones, A. H.	8/18 - 8/20	209	2.0	↓	22.25		1.5					
11	Jones, A. H.	8/22 - 8/24	212	2.0	↓	20.25					1.25		
7-v	Wills (Voucher)	8/5 - 8/8	189a	3.0	2.5	20.75	15.5	1.5	2.5	1.25			
9-v	Brown (Voucher)	8/17 - 8/23	207	7.5	6.5	21.75	16.5						
10-4	Jones (Voucher)	-----	209	2.0	2.0	22.25					1.75		
11-v	Jones (Voucher)	-----	212	1.0	1.0	22.25							
12	Smith, P. M.	8/29 - 9/1	215	3.0	✓	19.25	13.5						
					August Report Submitted		9/8/52						
13	May, P. R.	9/9 - 9/12	016-2	3.0	↓	16.25	10.5	1.5	2.5	1.75			
14	Jones, A. H.	9/11 - 9/13	221	2.0	↓	14.25		0.75		0.5			
15	May, P. R.	9/15 - 9/19	016-3	1.0	↓	10.25	8.5		0.5				
16	Transfer from Coord. & Supervis. to Prog. Def. Housing & Comm. Fac.					10.25	7.5		1.5				
17	Smith, P. W.	9/17 - 9/19	225	2.0	✓	8.25	5.5						
18	May, P. R.	9/25 - 9/29	016-4	1.0	↓	1.25	2.5		0.5				
11-v	Jones (Voucher)	9/11 - 9/13	221	2.0	1.5	1.75		.75		1.0			
19	Bell, A. T.	9/28 - 10/2	230	2.0	↓	2.75	1.0			0.5	Remainder charged to 2nd Quarter Allowance		
13, 15	May (Sept. Voucher)	-----	016-2	11.0	10.5	3.25			1.0				
18-v						September Report Submitted		10/9/52					

Completed Form H-164, Travel Control Record

the previous month by the 10th, he should make every effort to file it before he leaves.

#### CONTROL RECORDS.

To aid operating officials in controlling travel and the Budget Operations Unit in keeping a current cost-per-travel-day figure, Form H-164, *Travel Control Record* (Exhibit 3-3-4-C), shall be maintained in each organizational unit to which a travel allowance is issued. The head of each unit receiving an allowance shall designate one person to maintain the *Travel Control Record* through whom all *Travel Orders*, *Notices of Travel Under General Travel Authorization*, and *Travel Vouchers* will be cleared so that necessary information will be posted to the record.

#### INSTRUCTIONS FOR MAINTAINING FORM H-164, TRAVEL CONTROL RECORD

A separate Form H-164 should be set up at the beginning of each quarter, in duplicate, and maintained continuously throughout the quarter. At the end of each *month*, a copy of the record shall be sent to the Budget Operations Unit, Budget and Organization Staff not later than the 10th of the month. If travel is sufficiently light, the same original sheet may be continued for the second and third months of the allowance period, but with a new carbon each month.

#### Setting up the Record

To set up the *Travel Control Record* at the beginning of the quarter, the person designated to maintain it should first fill in the name of the organizational unit and the date on which the quarter ends. In the left hand side of the space for month, he should enter the first month of the quarter. At the beginning of each succeeding month, after the duplicate for the preceding month has been sent to the Budget Operations Unit, and a new duplicate inserted, the current month should be entered in the "Month" space. Entry number one for each quarter consists of the number "1" in the entry column, the words "Allowance for quarter" in the "Name of Traveler" column, and the number of days in each allocation in separate columns (7 through 14). Column 7 shall be used uniformly for the total allowance. Exhibit 3-3-4-C illustrates how the various entries should be made. When a new sheet is begun at any time in the quarter, the first entry on the new sheet should be "Balance of Allowance," with the final balances from the previous sheet brought forward in columns 7 through 14. Column 15 is to be left blank for the use of the Budget Operations Unit.

#### Entries to be Made When Travel is Planned or Request Initiated

On receipt of a completed Form H-163 from a holder of a General Travel Authorization, or Form H-25, the following information shall be entered on the *Travel Control Record*:

- (1) The next consecutive entry number in Column 1.
- (2) The name of the traveler in Column 2.
- (3) The inclusive dates of travel in Column 3.
- (4) The authorization number in Column 4. In the case of a General Travel Authorization, the number of the authorization should

be followed by a dash and the number of the trip from the upper right hand corner of the Form H-163 (see entry number 2, Exhibit 3-3-4-C).

- (5) The estimated number of days in travel status in Column 5. Column 6 is left blank at this time.

The estimated number of days from Column 5 should be subtracted from the previous balance in Column 7 and the result entered in Column 7.

The estimated number of days, is then also subtracted from the allowance for the program chargeable for the travel. If the travel is for two or more programs, the estimated number of days is prorated to the programs involved and then subtracted from the balances for those programs.

**Entries to be Made When Voucher is Filed**

When a completed Travel Voucher is received the following entries shall be made on the *Travel Control Record*:

(1) If the actual number of days traveled is the same as the estimated number of days in Column 5 of the original entry, and there is no change in the programs chargeable, a check should be entered in Column 6 of the original entry.

(2) If the actual number of days traveled is different from the number originally estimated, or if the proration to programs is changed, an arrow pointing down should be entered in Column 6 of the original entry and a new line used for the voucher entry. The entry number should be the same as the original entry but with "v" added to indicate that it is a voucher entry. Columns 2, 4 and 5 are completed as in the original entry. The actual dates of travel should be entered in Column 3. The actual number of days in travel status should be entered in Column 6 of the voucher entry and the difference between estimated and actual days used to adjust the balance of allowance columns. If the actual days are less than the estimated, the difference is added to the balance. If the actual number of days is greater, the difference should be subtracted from the balance. The latter case will only occur on trips under General Travel Authorizations, as the holder of a *Travel Order*, Form H-25 will have to get a supplemental order to extend his trip. Supplemental orders are accounted for as a separate entry using the original entry number followed by "s." Where the actual number of days is the same as the estimated but the program distribution is different, a voucher entry is made and the program allowance balances are adjusted to correct for the changed distribution. A trip made at the end of a quarter, which carries over into the next period may be charged in total to the quarter which is ending if there is a sufficient balance in the allowance to cover it, or, if the balance is not large enough to cover the entire trip, it may be split between the quarters charging to each period the actual days traveled in that period. The days traveled in the expiring quarter may *not*, however, be charged to the allowance for the next quarter.

**ADMINISTRATIVE ADJUSTMENTS OF ALLOWANCES**

As provided in the paragraph on allowances, allocations may be adjusted to the extent of 10% of any program allocation. If such adjustment is deemed necessary, an entry is made in the *Travel Control Record* indicating the programs involved and adjusting the balances for those programs. Entry number 16 in Exhibit 3-3-4-C shows how this should be accomplished. This applies only to allocations within limitations. Limitations cannot be adjusted except by obtaining a revised allowance from the Budget Operations Unit.

**TRAVEL BY WAE, WOC, AND REIMBURSABLE EMPLOYEES**

All persons to whom the Office of the Administrator pays per diem are considered to be in travel status and are chargeable to the travel allowances of the organizational unit for which they are working. This applies to reimbursable employees of other agencies, intermittent and long term WAE employees, Advisory Committee members, and other short-term consultants serving without compensation. The symbols WAE, WOC, or R. L. should appear after the traveler's name in entries covering any of these situations.

## Section 1

### GENERAL

#### REQUESTS FOR APPORTIONMENT AND REAPPORTIONMENT

The Director, Budget and Organization Staff, is responsible for the preparation and submission of requests for apportionment in accordance with Budget-Treasury Regulation No. 1, September 1950. Such requests will be prepared considering (1) appropriation and statutory limitations, (2) policies established by the Administrator, (3) the current status of funds as reflected in Agency accounting records, and (4) forecasts of requirements by officials responsible for program operations. Apportionments and reapportionments established by the Director of the Bureau of the Budget will establish limitations for program operations. Control ledgers shall be maintained by the Finance and Accounts Branch to which shall be posted apportionments, allotments issued, and unallocated apportionments. The total of allotments issued shall at no time exceed the amount shown on the most recent approved request for apportionment or reapportionment for the period covered.

#### ALLOTMENTS

Upon receipt of an apportionment or reapportionment, the Director, Budget and Organization Staff, or his authorized representative, will issue an *Advice of Allotment*, Form H-158, establishing fund limitations for program expenses. In those instances where program accounts are maintained in Regional Offices, or where allotment limitations are established on a project basis, division directors of program activities shall submit requests to the Budget and Organization Staff for the allotment of funds required for program operations. The Director, Budget and Organization Staff, may authorize allottees to sub-allot funds.

Effective beginning February 1, 1952, commitments or expenditures shall not be incurred unless an available balance therefor exists in an appropriate allotment account established by the Director, Budget and Organization Staff.

#### MAINTENANCE OF ALLOTMENT ACCOUNTS

The Finance and Accounts Branch shall establish and maintain allotment ledgers on each allotment limitation on Standard Form 1015—Revised, *Allotment Ledger*, or similar form. All commitments applicable to the allotment account shall be posted under the "Obligation" column of this ledger and shall reduce the uncommitted balance of the allotment account. Commitments are defined as transactions which represent a liability for the payment of money by the United States Government, whether or not such payment is due. Payments against commitments shall be posted under the column headed "Net Disbursement Vouchers."

**REPORTS**

The Finance and Accounts Branch shall be responsible for the preparation of reports on the status of apportionments (Standard Forms 133 and 143) as required by Budget-Treasury Regulation No. 1, September 1950, and one copy of such reports shall be sent to the Director, Budget and Organization Staff.

In addition, the Finance and Accounts Branch shall prepare monthly reports on the status of each allotment account indicating cumulative data with respect to allotments, commitments, disbursements, and uncommitted balances. Reports shall be submitted separately for allotments made to Regional Offices and the Central Office. A total summary report shall be prepared for each program. The original of all such reports shall be sent to the Director, Budget and Organization Staff, and the first copy of reports shall be distributed to the appropriate program officials.

4 TRAVEL AND  
TRANSPORTATION



## **Section 1**

### **GENERAL PROVISIONS RELATING TO TRAVEL**

The procedures in Part 4 govern travel at Government expense by employees of the Central Office. They cover the general administrative requirements with respect to the authorization and completion of travel and the submission of reimbursement vouchers. However, the Manual is not a travel handbook or a complete guide to special or unusual travel situations.

#### **RESPONSIBILITIES OF TRAVELERS**

Employees traveling at Government expense are expected to familiarize themselves with these procedures and the provisions of the Standardized Government Travel Regulations. By so doing they will simplify the handling of travel authorizations and travel reimbursement vouchers and will avoid situations in which their financial interests may be affected adversely.

When situations arise which are not covered by these procedures or the Standardized Government Travel Regulations, travelers should consult the Travel Section, Division of General Services.

The Travel Section and the unit in which reimbursement vouchers are audited are required to hold all travelers to strict compliance with the laws, regulations, and decisions with respect to travel. No authority exists to waive any law, regulation, or decision on the basis that the traveler was not aware of it at the time the travel was performed.

## Section 2

### TRAVEL REQUEST AND AUTHORIZATION

Travel at Government expense must be (1) recommended by an officer authorized herein to make such recommendations and (2) authorized or approved in writing by the Administrator or by an officer to whom such authority has been expressly delegated by the Administrator.

#### RECOMMENDING OFFICERS

Heads of constituent units and offices, the Deputy Administrator with respect to staff units reporting directly to him, and their designees are authorized to recommend the performance of travel at Government expense by employees under their supervision.

#### AUTHORIZING OFFICERS

Authority to authorize or approve travel on a per diem basis has been delegated to the Assistant Administrator (Administration), the Director, Division of General Services, the Director, Property Management Branch, and the Executive Office, Division of General Services.

Authority to authorize or approve travel on an actual subsistence expense basis has been reserved by the Administrator.

#### PRIOR RECOMMENDATION AND AUTHORIZATION REQUIREMENTS

Travel at Government expense must be officially recommended and authorized prior to its performance unless an emergency or unusual circumstance prevents such action. If travel is performed for official purposes without prior recommendation and authorization, reimbursement of the expenses incurred may be made only if the traveler justifies the trip in terms of the advantage to the Government.

The Standardized Government Travel Regulations also provide that travelers may be reimbursed for certain items of travel expenses, such as excess baggage charges, charges for the hire of special conveyances, and charges for extra-fare trains or planes, when such items have been expressly authorized or administratively approved.

Accordingly, all claims for unauthorized trip expenses or for items of expense requiring specific authority shall contain a statement (or be accompanied by a memorandum attached to and made part of the claim), explaining the official circumstances which occasioned the expenditure and justifying it in terms of the official need or advantage to the Government.

Each claim requesting reimbursement of unauthorized expenses not covered by prior authorization shall be transmitted to the Travel Section, Division of General Services, for consideration. An authorizing officer in the Division of General Services will indicate his approval or disapproval of the claim or items in question and forward the claim to the Division of Finance and Accounts for settlement. If payment is disapproved, the Division of Finance and Accounts will notify the traveler through the issuance of a Form H-209, *Administrative Difference Statement*, setting forth the facts.

#### TRAVEL AUTHORIZATION PROCEDURE

Travel is normally authorized on an individual trip basis.

General travel authorizations may be issued, on an annual basis, to employees who are required to travel frequently and on short notice. General travel authorizations shall specify the geographical area in which travel may be performed and shall be issued only when travel is so frequent that the issuance of individual authorizations would cause an unreasonable administrative burden. General travel authorizations will not be issued automatically on the basis of title or organizational position.

#### Securing Travel Authorization

Travel authorizations shall be requested on Form H-25, *Travel Order—Request and Authorization* (Exhibits A and B).

Form H-25 shall be (1) prepared in the traveler's unit; (2) signed by the requesting official; (3) signed at the constituent unit or divisional level under Item 17 as required under "Recommending Officers" above; and (4) forwarded to the Travel Section, Division of General Services.

Regulations prescribing the modes of travel and accommodations authorized and travel expenses allowable are covered in Sections 4-3 and 4-4, respectively.

The Travel Section shall review the request and, if in order, complete the travel authorization and present it to an authorizing official for signature.

Copies of the approved travel authorization are distributed as follows:

- Original—returned to the traveler as evidence of his authority to perform the travel
- 1 copy—retained in the Travel Section
- 2 copies—forwarded to the Division of Finance and Accounts

#### Amendments to Travel Authorization

Travel authorizations may be amended if it is necessary to extend the time specified in the original authorization, or to modify the itinerary, mode of travel, or other condition specified therein.

A request for an amendment shall be prepared on Form H-25 and shall refer by name to the original order and restate all the conditions of the original order necessary to indicate clearly the purpose of the amendment. The amendment information shall be spelled out in Item 11, Remarks, of Form H-25; for example, "This amends Travel Order No. \_\_\_\_\_, dated \_\_\_\_\_, for the purpose of (adding names of cities to the itinerary, deleting names of cities from the itinerary, or extending or limiting the dates of travel)."

#### TRAVEL REQUIRING SPECIAL JUSTIFICATION AND AUTHORIZATION

##### Attendance at Meetings

Travel for the purpose of attending conventions or other meetings of outside organizations will be approved only for the purpose of giving or acquiring information relating to the work of the Agency, and only where such attendance is in the interest of the Government and will further Agency programs. In such cases the employee attends as a representative of the Agency.

Attendance at meetings as a representative of the Agency involving expenses of travel or a registration fee must be administratively approved, in advance, by the Deputy Administrator. Attendance at meetings as a representative of the Agency not involving expenses of travel or a registration fee shall be administratively approved, in advance, by the appropriate constituent unit or office head, who shall determine that such attendance is in the interests of and related to the activities of the Agency, but approval of the Deputy Administrator is not required. No employee shall commit himself formally or informally to attend or participate in a meeting of an outside organization before securing such approvals.

Approval for attendance at meetings shall be requested on Form H-67, *Request for Authorization to Attend Meeting* (Exhibit C), which shall be submitted in duplicate to the head of the employee's constituent unit or office. If Government funds are to be used for any part of the expense of travel, Form H-25, *Travel Order—Request and Authorization*, shall accompany Form H-67. Unless special circumstances are shown to justify an exception, Form H-67 must be submitted not less than ten days before the stated meeting will begin.

If the request involves expenses of travel or a registration fee, the constituent unit or office head shall forward the forms to the Deputy Administrator. If the Deputy Administrator approves the request, he will return the duplicate copy of Form H-67 to the originating office as notice of approval and send the original of Form H-67, together with Form H-25, to the Travel Section.

If the request does not involve expenses of travel or a registration fee and if the constituent unit or office head approves it, he will return the duplicate copy of Form H-67 to the originating office as notice of approval and retain the original.

**Travel to Attend Training Sessions**

Travel for the purpose of attending university seminars, professional association meetings, or other similar meetings solely for the purpose of professional development or training may be approved only after the training itself has been approved on Form H-830, *Request and Authorization for Training*, by an authorized official. (Exhibit A, Section 2-9-1.)

Initiating offices should submit Form H-25, *Travel Order—Request and Authorization*, with Form H-830 to the Division of Personnel. After the training is approved, Form H-25 will be forwarded to the Travel Section for processing, with a copy of Form H-830. Since the Division of Personnel indicates special conditions covered by the registration fee on the face of Form H-830, any available training announcements or schedules should be attached to Form H-830 by the initiating office. Form H-830 need not be used if the employee will be appearing as a representative of the Agency in any portion of the conference or meeting. (See Attendance at Meetings above.)

**Private Adviser Travel—Other than W.A.E. or W.O.C. Consultants**

Individuals who are requested to serve the Office of the Administrator or any of the constituent units as advisers without having been appointed as consultants or named as members of an established advisory committee may be authorized to travel at Government expense only on requests approved by the Administrator.

The official requiring the services of an adviser shall prepare a memorandum to the Administrator, setting forth the need for the services and the points between which the travel will be required, and requesting the Administrator's consideration and approval on the memorandum. The memorandum shall be routed to the Administrator through the Division of Personnel.

Memorandum requests approved or disapproved by the Administrator will be returned to the requesting officers through the Division of Personnel. An approved memorandum request must accompany each Form H-25 sent to the Travel Section.

**Transfers of Official Station**

When, in the interests of the Government, an employee is transferred from one official station to another, for permanent duty, the travel expenses of the employee and the expenses of transportation of his immediate family and household goods and personal effects (including packing, crating, temporary storage, drayage, and unpacking) may be authorized for payment from Government funds (see Section 2-3-3).

The office originating Standard Form 52, *Request for Personnel Action*, recommending a permanent change of official station shall complete and submit with it a request for authorization of travel and transfer expenses on Form H-25, *Travel Order—Request and Authorization*. Any special provisions, such as the names, ages, relationship,

and modes of travel of dependents to be moved and the approximate weight of household effects to be shipped shall be entered under Item 11 on Form H-25. The requesting officer will sign Item 16.

If the recommended transfer is approved and travel and transportation expenses are allowable, the Director of Personnel shall sign Item 17 of the Form H-25 and forward it, with the necessary journal information, to the Division of General Services for issuance of the travel authorization.

The legal and regulatory requirements governing travel by dependents of employees and the shipment of household goods and effects are detailed and complex. Employees authorized to travel to a new official station at Government expense should consult the Travel Section in advance of making shipment or performing travel, since failure to ascertain and observe these requirements may result in serious financial loss to the employee.

#### **New Employees Recruited from Another Federal Agency**

When an employee is recruited from another Government agency and it is determined that he is eligible for transfer at Government expense, the office originating Standard Form 52, *Request for Personnel Action*, shall complete and submit a request for authorization of travel and expenses on Form H-25, *Travel Order—Request and Authorization*.

Since the personnel action and the request for authorization of travel and expenses must be approved at the same time, Form H-25 should accompany Standard Form 52 or be forwarded as soon as possible after submission of that form.

The procedures for completing and processing Form H-25 outlined under "Transfers of Official Station" should be followed.

#### **Other Special Travel**

Travel by persons serving without compensation as members of Agency committees; advisers or consultants appointed on a "when actually employed" or "without compensation" basis; and employees of other Federal agencies while serving on reimbursable detail to the Office of the Administrator or to a constituent unit shall be requested in the same manner as that for employees of the Office of the Administrator and the constituent units.

#### **Appointments to Positions Involving Manpower Shortage**

Appointees to positions for which the Civil Service Commission determines there is a manpower shortage are entitled to expenses of (1) travel, (2) transportation of their immediate families, and (3) transportation of their household goods and personal effects, all from their places of actual residence at time of selection for appointment or for promotion to their first permanent duty stations, and (4) advance of

funds for these purposes. (Section 7 of the Administrative Expenses Act of August 2, 1946, as amended by Public Law 86-587 approved July 5, 1960.)

The procedures for completing and processing Form H-25 outlined under "Transfers of Official Station" above should be followed for appointments to these positions.

#### **REIMBURSEMENT OF ACTUAL SUBSISTENCE EXPENSES**

Employees are expected to travel on a per diem basis unless prior authorization for travel on an actual expense basis has been obtained on the basis of the criteria set forth in Section 4-4. However, reimbursement for actual expenses based on these criteria may be approved subsequent to travel when unusual and unanticipated circumstances arising during a trip require an employee to incur subsistence costs in excess of his authorized per diem.

Travel orders proposing travel on an actual subsistence expense basis shall be processed as prescribed in this Section. The Division of General Services shall review the justification for travel on an actual expense basis to determine whether the criteria outlined above have been met and submit the order to the Administrator for action.

When prior authorization has not been obtained, the employee may claim reimbursement for actual expenses on his travel voucher. The voucher shall contain a justification for the expenses incurred, be approved by the office head concerned, and be submitted to the Division of General Services. The Division of General Services shall review the justification to determine whether the criteria outlined above have been met and submit the voucher to the Administrator for action.

EXHIBIT A

H-25 (8-58)		HOUSING AND HOME FINANCE AGENCY OFFICE OF THE ADMINISTRATOR		Date <u>July 1, 1959</u>
<b>TRAVEL ORDER — REQUEST AND AUTHORIZATION</b> <i>(Submit to Travel Section at least five working days in advance of proposed travel)</i>				
1. NAME <b>Walter C. Scott</b>	2. OFFICIAL STATION <b>Washington, D. C.</b>	3. ROOM & BLDG. <b>900-NRA</b>	4. STATUS OF TRAVELER: <input checked="" type="checkbox"/> EMPLOYEE <input type="checkbox"/> OTHER	
5. TITLE <b>Deputy Director, College Housing Branch</b>	6. DIVISION OR OFFICE <b>CFA</b>	7. PHONE <b>3040</b>		
8. ITINERARY <i>(Includes place of departure, all stopovers or places to be visited, and place of return)</i> FROM: <b>Washington, D. C. to Ypsilanti, Michigan</b>				
AND RETURN TO: <b>Washington, D. C.</b>				
9. PURPOSE OF TRAVEL: <b>To attend meeting of the 9th Annual Conference of Association of College and University Housing Officers in Ypsilanti.</b>				
10. MODE OF TRAVEL: <input checked="" type="checkbox"/> A. Common carrier except extra fare. <input type="checkbox"/> B. Privately-owned automobile on a mileage basis at a rate of _____¢ per mile: <input type="checkbox"/> 1. Limited to not exceed the cost of travel by common carrier including per diem. <input type="checkbox"/> 2. Provided it has been administratively determined in advance that because of the nature of your duties travel by private conveyance is necessary and more advantageous to the Government than the use of common carrier. <input type="checkbox"/> 3. Travel wholly within limits of official station. <input type="checkbox"/> C. Other <i>(Specify)</i>				
11. REMARKS:				
12. EFFECTIVE ON OR ABOUT: <b>July 7, 1959</b>		16. SIGNATURE <i>John R. Jones</i> <b>John R. Jones, Director, College Housing Branch</b>		
13. TERMINATING ON OR ABOUT: <b>July 9, 1959</b>		17. SIGNATURE <i>Joseph A. Brown</i> <b>Joseph A. Brown, Executive Officer</b>		
14. NUMBER OF DAYS IN TRAVEL STATUS: <b>3 days</b>				
15. PROGRAM: <b>College Housing</b>				
<b>DO NOT WRITE BELOW THIS LINE — FOR USE BY TRAVEL SECTION AND AUTHORIZING OFFICER</b>				
TRAVEL ORDER NO.	DATE	Estimated cost \$	APPROPRIATION SYMBOL	
PER DIEM RATE	MILEAGE	Household effects \$		
MODE OF TRAVEL IS AUTHORIZED AS INDICATED IN ITEM 10 _____				
You are hereby authorized to travel at Government expense, to be paid from available appropriations, in accordance with Standardized Government Travel Regulations as amended, Regulations of the Administrator, and the conditions noted on this order.				
(TITLE OF AUTHORIZING OFFICER)		(SIGNATURE)		

THE NUMBER AND DATE OF THIS ORDER MUST BE REFERRED TO ON YOUR VOUCHER

TRAVELER'S COPY

ISSUING OFFICE COPY

ACCOUNTS COPY

AUDIT COPY

SERVICE, DIVISION OR OFFICE COPY

**EXHIBIT B**

**INSTRUCTIONS FOR PREPARATION**

For each request or amendment, the initiating office shall complete questions 1 through 15 of Form H-25, as shown below. The form will be prepared in five copies and shall be sent to the recommending officer, except the "Service, Division or Office Copy" which may be retained for the initiating office's files. The recommending officer shall sign the travel request, if he concurs, and forward four copies to the appropriate authorizing official. The following instructions are numbered to correspond with the numbered entries on the form:

1. **Name:** Enter the traveler's name exactly as it appears on his appointment action, or letter of agreement.
2. **Official Station:** Enter city and state, and regional number if located in a Regional Office.
3. **Room and Bldg.:** Identify room and building where request is initiated.
4. **Status of Traveler:** If the traveler is an OA, URA, CFA or HHFA Regional employee, enter an "X" in the first block. If the traveler is an employe of another agency on reimbursable detail, or if he is an advisor or consultant, enter an "X" in the block marked "Other".
5. **Title:** If the traveler is an OA, URA, CFA or HHFA Regional employe, or is on reimbursable detail, enter his position title exactly as it appears on his appointment action, or in the letter of agreement covering his detail. If the traveler is an advisor or consultant, enter the appropriate title; e.g., Member, Advisory Committee on Housing for the Elderly; Consultant W.O.C.; or Consultant W.A.E.
6. **Division of Office:** Identify the division or other organizational unit which the traveler serves.
7. **Phone:** Enter the telephone extension of the office which initiates the request.
8. **Itinerary:** After the word "From", enter the name of the city where travel will begin, and after "And Return To", the city where travel will end. If an individual trip order is requested, show the name of each city to which the traveler will go for the purpose of performing official duty. (The names of cities at which he will stop merely for the purpose of making transportation connections need not be shown.) If a general travel order is requested, describe the area in which the traveler will be required to travel for the purpose of performing official duty on a recurring basis.
9. **Purpose of Travel:** Enter a concise statement of the purpose of the travel. A general purpose statement, such as "For the conduct of official business" is not sufficient.
10. **Mode of Travel:** Enter an "X" in the main lettered block(s) indicating particular mode of transportation the traveler will be required to use.  
 If travel by privately owned automobile on a mileage basis is requested:  
 1. Enter an "X" in this sub-block if this mode of travel is requested for the personal convenience of the traveler.  
 2. Enter an "X" in this sub-block if it has been predetermined that this mode of travel will be more advantageous to the Government.  
 If the use of a Government-owned motor vehicle is required for travel to points outside the employee's official station, enter an "X" in the main block lettered "C" and specify "Government-owned vehicle" in the space following "Other".
11. **Remarks:** This space is provided for any unusual circumstances requiring an explanation, such as: traveler's per diem rate where a lesser amount will cover the subsistence expense; any unusual expenses to be incurred; if individual transportation requests are needed; and, if travel is incident to a change of official station, an explanation of the special provisions requested and/or transportation of dependents and household effects. (List name, age and relationship of dependents, their mode of travel and approximate weight of household effects to be shipped.) This space is also provided for stating the nature of an amending request, such as "This amends Travel Order No. \_\_\_\_\_ dated \_\_\_\_\_, to include (additional cities, delete cities, or extended details)."
12. **Effective on or about:** Enter the date travel is to begin.
13. **Termination on or about:** Enter the date on which traveler is to return.
14. **Number of days in travel status:** Enter the maximum number of days for which per diem will be claimed.
15. **Program:** Indicate the program chargeable. If more than one program is represented, show the estimated percentage of time which will be devoted to each; e.g., College Housing - 40%, Public Facility Loans - 60%
16. **Signature:** The official who requests that the travel be performed shall sign here.
17. **Signature:** The official authorized to recommend that the travel be performed shall sign here.

**I — THINGS TO REMEMBER AND MAINTAIN A RECORD OF**

Reverse of Service, Division or Office Copy

Use Standard Form 1169, United States of America Transportation Request, wherever possible for all official common carrier travel and keep a record of the cost of service and accommodations received.  
 Keep a record of the departure time, all stopovers or places visited, date and time of return, and in the case of a privately owned automobile, the distance between points visited.  
 Obtain receipts and attach them to your voucher for all items of expenditure of more than \$5.00.  
 Follow exactly your travel order shown on the face of this form.  
 Familiarize yourself with the provisions of the Standardized Government Travel Regulations

Reverse of Traveler's Copy →

**II — SOME ITEMS OF EXPENDITURE REQUIRING JUSTIFICATION**

Extra-fare plane or train, excess baggage; use of superior accommodations, use of a parlor car seat when the continuous rail journey is less than 2 hrs. duration; and rental of a commercial motor vehicle.

EXHIBIT C

HOUSING AND HOME FINANCE AGENCY  
OFFICE OF THE ADMINISTRATOR

H-67  
(2-55)

Date October 1, 1961

REQUEST FOR AUTHORIZATION TO ATTEND MEETING

TO THE FOLLOWING IN ORDER INDICATED:			
1	<b>Deputy Administrator</b> (Agency Approval)	SIGNATURE: <i>John J. Doe</i>	DATE: 10-9-61
2	<b>General Services Branch</b> (Travel Section)		
Authorization is requested for the following-named employee(s) to attend a meeting called by the Agency or Organization named, and for the purpose indicated below.			
1. NAME AND POSITION		2. OFFICIAL STATION	3. ESTIMATED EXPENSE
			TRANSPORTATION PER DIEM
A.	<b>Charles A. Johnson,</b>	<b>Washington, D. C.</b>	<b>\$322.60 \$ 64.00</b>
B.	<b>Deputy Commissioner, CFA</b>		
C.			
D.			
1/Unit if to be paid by sponsoring organization.		TOTAL	\$ 322.60 \$ 64.00
4. AGENCY OR ORGANIZATION CALLING MEETING			5. OPENING DATE
<b>National Association of Home Builders</b>			<b>October 22, 1961</b>
6. MEETING TO BE HELD AT -			7. DURATION OF MEETING
<b>San Francisco, California</b>			<b>October 25, 1961</b>
8. PURPOSE OF MEETING OR OF ATTENDANCE AT MEETING - Include statement explaining how work of the Office of the Administrator requires or benefits from attendance; and degree and nature of participation of employee(s).			
<b>Nature of Meeting:</b> Annual Meeting of National Association of Home Builders.			
<b>Status of Staff Representative:</b> To represent HHFA.			
<b>Purpose of Attendance:</b> To acquaint the Home Building and Manufacturing Industry with the programs of the Community Facilities Administration.			
<b>Relationship of Work to be Accomplished at Meeting to the Immediate Authorized Program of the Agency:</b> Since the Community Facilities Administration program is nationwide and representatives of many cities throughout the nation will be attending, this is an opportunity to explain the role of the U. S. Government in providing assistance to cities through CFA programs.			
REQUESTING OFFICIAL			
SIGNATURE: <i>A. H. Anderson</i>		TITLE: <b>CFA Commissioner</b>	DATE: <b>October 1, 1961</b>

H.H.F.A., Washington, D. C.

### Section 3

#### MODES OF TRAVEL AND ACCOMMODATIONS AUTHORIZED

Standardized Government Travel Regulations contemplate use by the traveler of the most advantageous form of transportation for the trip involved. Round trip tickets should be secured only when, on the basis of the journey as planned, it is known or can be reasonably anticipated that such tickets will be used.<sup>1</sup>

##### STANDARD FIRST CLASS TRANSPORTATION

###### Rail

One seat in a sleeping or parlor car is allowable for a continuous rail trip of more than two hours within the continental United States. A seat for a trip of two hours or less may be authorized in writing by the official authorizing the travel when circumstances make the use of a seat essential.

A standard lower berth is allowed when night travel is involved but superior accommodations may be used on the basis of a statement by the traveler on his voucher that, at the time the reservation was made, a lower berth was not available and that the accommodation used was the lowest available accommodation superior to a lower berth.

###### Air

It is the policy of the HHFA that persons who use commercial air carriers for transportation on official business should use less-than-first-class accommodations, instead of those designated "first-class", with due regard to efficient conduct of Agency business and the travelers' convenience, safety and comfort. In view of this policy the use of first-class accommodations should be limited to the following instances:<sup>2</sup>

- (1) Regularly scheduled flights between authorized origin and destination points provide only first-class accommodations.
- (2) Space is not available in less-than-first-class accommodations in time to carry out the purpose of the travel.
- (3) An authorizing officer authorizes or approves the use of first-class accommodations as necessary for the conduct of the mission or for reasons of the traveler's health.
- (4) An authorizing officer authorizes or approves the use of first-class accommodations for flights within or between foreign areas because less

<sup>1</sup> See SGTR, sec. 3.9.

<sup>2</sup> See SGTR, sec. 3.6.

costly accommodations do not provide adequate standards of sanitation, health or comfort.

Most domestic air carriers have a confirmed ticket pickup plan under which passengers are required to purchase tickets for confirmed space within a specified time limit or the reserved space will be automatically canceled.

It is the responsibility of travelers to keep themselves informed of the provisions of the confirmed ticket pickup plan of the airline being used.

#### **Use of Domestic Airlines**

Employees shall use American air carriers for overseas travel between the United States and a foreign country or between foreign countries, except in certain instances where their use would not be feasible or economical, or where payment for the transportation can be made in currencies of certain foreign countries listed in Appendix I (Revised) to the Standardized Government Travel Regulations issued by revisions to Bureau of the Budget Circular No. A-7, Revised.

#### **Bus**

Travel by bus is commonly cheaper than travel by rail or air and should be used when it does not add excessively to travel time.

#### **Ship**

Instructions about travel by ship are in sections 3.6 and 12.11 of the Standardized Government Travel Regulations.

#### **EXTRA-FARE TRANSPORTATION**

Extra-fare transportation is travel in trains or airplanes for which the carrier makes an extra charge above normal first-class fares in consideration of superior service or comfort.

No special approval or authorization is required when the cost of travel by extra-fare train or airplane, taking per diem and salary into consideration, does not exceed the cost of travel by regular-fare transportation. Per diem savings are determined by deducting the amount of per diem incurred by extra-fare transportation from the amount that would be payable if regular-fare transportation were used. Salary savings are computed, on the basis of daily salary, for the hours of duty the traveler is enabled to be at his official station, through the use of extra-fare transportation, during which he would have had to be away from his official station if regular-fare transportation were used. Less than a two-hour saving in any one day may not be claimed.

Use of extra-fare transportation at excess cost to the Government should be approved and authorized, in advance, on Form H-25, *Travel Order—Request and Authorization*. When such approval and authorization is not secured in advance, the traveler will be held personally

liable for the excess cost unless the need for the use of extra-fare transportation is fully justified and approval obtained from the authorizing official.

**TRAVEL BY GOVERNMENT-OWNED OR RENTED AUTOMOBILE**

Occasionally, employees are authorized on Form H-25, *Travel Order—Request and Authorization*, to travel by Government-owned automobiles, or by vehicles rented in lieu thereof. In these instances, the use of such automobiles shall be restricted to the execution of the official business indicated in the authorized Form H-25. As used in this procedure, a Government-owned or rented automobile shall mean a vehicle obtained from a General Services Administration motor pool facility, whether it be a General Services Administration motor pool vehicle or a vehicle furnished by the General Services Administration from a commercial rental agency, and trip ticket shall mean GSA Form 312, *Daily Motor Vehicle Trip Ticket*, or the rental agency document indicating terms and conditions of the rental agreement.

Upon completion of travel performed by this mode of transportation, employees shall secure a completed copy of the trip ticket which is furnished when the automobile is returned to the General Services Administration Motor Pool or rental agency. The trip ticket will show the beginning and ending speedometer readings. Employees who do not expect to submit a claim for reimbursement (*Travel Voucher*, S.F. 1012) of expenses incident to such travel shall forward the applicable trip ticket immediately to the Division of Finance and Accounts. Employees submitting *Travel Vouchers* shall attach the copy of the trip ticket thereto and shall include the following information on their vouchers:

- (1) A description of the automobile; such as, the make and model and the license number.
- (2) The beginning and ending speedometer readings and the starting and ending time and date between each point of travel.
- (3) The beginning and ending speedometer readings and the starting and ending time and date(s) for travel performed in and around the place(s) of destination.

This information and the copy of the appropriate trip ticket will enable the Division of Finance and Accounts to (1) establish the liability to the General Services Administration for the use of the vehicle, (2) cross-check the mileage readings on the trip ticket with those on the related *Travel Voucher* and (3) account for the use of Government-owned or rented vehicles by employees in travel status.

**TRAVEL BY PRIVATELY-OWNED AUTOMOBILE OR AIRPLANE**

Employees may be authorized to travel by privately-owned automobile or airplane upon a finding by the official authorizing the travel that such transportation is more advantageous to the Government than transportation by common carrier. Such a finding may take into account

the more expeditious transaction of Government business, economies resulting from transporting two or more Government employees to a common destination, and similar factors. No finding of advantage is required if reimbursement is limited in the travel authorization to the cost of the travel, including per diem, had it been performed by common carrier.

Authorized officials of the Division of General Services are authorized to fix a rate of reimbursement for travel in a privately-owned automobile calculated to cover the actual costs of operation, but not more than 8¢ per mile within the continental limits of the United States (12¢ per mile in Alaska, Guam, Hawaii, Puerto Rico, and the Virgin Islands); nor more than 12¢ per mile in a privately owned airplane. In addition to the per mile rate for automobile travel, the traveler may claim actual ferry fares, automobile parking fees, and bridge, road, and tunnel tolls. All other expenses of the operator are covered in the mileage rate.

The traveler must show on his voucher covering travel in a privately-owned airplane the take off and landing times. Mileage for the use of the privately-owned airplane shall be determined by multiplying the actual elapsed time in the air by the rated cruising speed of the particular airplane. Any unusual conditions or circumstances which influence elapsed time in the air shall be explained.

#### USE OF GOVERNMENT TRANSPORTATION REQUESTS

Travelers may either (1) pay cash for official passenger transportation in amounts of \$15 or less, plus Federal transportation tax, and obtain reimbursement from the Government for such cash payment (receipts for such cash payments are not required); or (2) use United States of America Transportation Requests for official passenger transportation in amounts exceeding \$1. Cash payments should ordinarily be made when the amounts involved are \$1 or less, plus Federal transportation tax (receipts on such cash payments are not required).<sup>1</sup>

Transportation requests shall not be used to procure taxicab, airport limousine, intra-city transit, or so-called "drive-your-self" type or other for-hire automobile services, or as payment for toll road or toll bridge charges.

On request, the Travel Section will issue sufficient United States of America Transportation Requests to complete the travel authorized by individual trip authorizations. Books of transportation requests may be issued to employees whose duties require frequent travel. These books are available on request from the Division of Finance and Accounts.

When transportation requests are issued individually, the issuing officer is responsible for maintaining accountability for them. Requests that are not used because of cancellation of travel, change of route, or other reasons, shall be marked "VOID" and returned to the issuing officer promptly.

<sup>1</sup> See SGTR, sec. 4.2.

When books of transportation requests are issued, the issuing officer will obtain a receipt from the traveler on Form H-206, *Receipt for U.S. Government Transportation Requests*. When the employee to whom a book of transportation requests has been issued has used all the requests in the book or has no further use for any remaining requests or leaves the Agency, the book and any unused transportation requests must be returned promptly to the issuing officer. Final salary checks cannot be released to employees leaving the Agency until all unused transportation requests issued to them have been returned.



## **Section 4**

### **TRAVEL EXPENSES**

Employees in travel status are authorized a per diem in lieu of subsistence and other personal expenses involved in travel.<sup>1</sup>

#### **PER DIEM FOR TRAVEL WITHIN THE CONTINENTAL UNITED STATES**

For travel within the continental limits of the United States, the Assistant Administrator (Administration) and authorized officials of the Division of General Services are authorized to fix a rate of per diem in lieu of subsistence. The maximum rate of per diem is fixed by law at \$16 per day; however, the rate fixed for specific classes of travel shall be less than the maximum whenever consistent with the actual expenses of subsistence.

The per diem rate shall be reduced to \$12 for continuous duty in excess of 30 days at any one temporary duty station, except where a higher rate is approved by the Assistant Administrator (Administration) or an authorized official of the Division of General Services in unusual cases where the necessary expenses of the traveler will exceed \$12 per day.

When lodgings or meals are furnished (either directly or indirectly through payment of registration or other fees) by the Government, an authorized official of the Division of General Services shall reduce the rate normally paid for that portion of the travel period. Generally, the per diem rate will be reduced 35 percent for each night's lodging and 15 percent for each meal.

For travel wholly within a calendar day, no per diem will be allowed when departure is after 7:30 a.m. and return is before 7:00 p.m.

The maximum rate of per diem shall be fixed at \$8 when travel does not require overnight lodgings.

#### **PER DIEM FOR TRAVEL OUTSIDE THE CONTINENTAL UNITED STATES**

For travel outside the continental limits of the United States, the rates of per diem are established in Appendix I of the Standardized Government Travel Regulations issued by the Bureau of the Budget under Circular No. A-7, as amended, and in the Standardized Regulations (Government Civilians, Foreign Areas) issued by the Department of State. The rates of per diem set by these agencies are maximum and shall be lowered whenever consistent with the actual expenses of subsistence.

<sup>1</sup> See SGTR, sec. 6.

The per diem rate shall be reduced not less than one-quarter for continuous duty in excess of 30 days at any one temporary duty station, except where a higher rate is approved by the Assistant Administrator (Administration) or an authorized official of the Division of General Services in unusual cases where the necessary expenses of the traveler will exceed the reduced amount.

When lodgings or meals are furnished (either directly or indirectly through payment of registration or other fees) by the Government, an authorized official of the Division of General Services shall reduce the rate normally paid for that portion of the travel period. Generally, the per diem rate will be reduced 35 per cent for each night's lodging and 15 per cent for each meal.

For travel wholly within a calendar day (1) no per diem will be allowed when departure is after 7:30 a.m. and return is before 7:00 p.m., and (2) the lower per diem rate will apply in travel between localities having different per diem rates or in travel between a locality and the United States.

The maximum rate of per diem shall be fixed at not more than one-half the maximum established per diem rate when travel does not require overnight lodgings.

#### **PER DIEM FOR PERSONS SERVING WITHOUT COMPENSATION**

Persons serving without compensation may be allowed not to exceed \$16 per day in lieu of subsistence for each day or fraction thereof in excess of 3 hours while en route and at their place of service or employment.

Per diem for members of advisory committees convened by the Housing and Home Finance Agency may be paid at not to exceed the \$25 rate established in the Housing Act of 1949 for each day or fraction thereof in excess of 3 hours while en route and at their place of service.

#### **TAXICAB FARES**

Taxicab fares, not in excess of \$6, plus tips, from common carrier or other terminal to either place of abode or place of business, or from either place of abode or place of business to common carrier or other terminal may be claimed. Tips of 10¢ are allowable where the fare is \$1 or less, or 10 percent of the fare increased to the next multiple of 5¢ where the fare exceeds \$1.

In lieu of the usual taxicab fares allowed a traveler going from either his place of abode or place of business to a terminal or from a terminal to either his place of abode or place of business, payment at 10¢ a mile will be allowed for the round-trip mileage of a privately owned automobile used by a traveler provided (1) the amount does not exceed the usual taxicab fare, plus allowable tip, for a one-way trip between such applicable points, and further provided (2) the amount for the round-trip mileage of the privately owned automobile used by the traveler instead of a taxicab does not exceed \$6.

The limitation of \$6 does not apply when the use of a taxicab would qualify for approval as a special conveyance under sec. 3.4, Standardized Government Travel Regulations.

**OTHER TRAVEL EXPENSES**

Travelers may be reimbursed for necessary expenses of travel which are not personal, and which are not therefore covered by per diem in lieu of subsistence.

Receipts in support of claims for expenses other than for subsistence are required, when practicable, for items in excess of \$5.

Travelers should refer to the Standardized Government Travel Regulations before incurring or claiming such expenses.

**REIMBURSEMENT OF ACTUAL SUBSISTENCE EXPENSES**

The Travel Expense Act of 1949, as amended, authorizes reimbursement for actual subsistence expenses when due to the unusual circumstances of a travel assignment the maximum per diem allowance would be much less than the amount required to meet necessary subsistence costs. The maximum amount is (a) for travel within the continental United States, \$30; and (b) for travel elsewhere, the sum of the maximum per diem allowance officially authorized for the locality in which the travel is performed plus \$10.

Travel on an actual subsistence expense basis will be restricted to those instances where necessary subsistence costs are unusually high. Hotel accommodations constitute the major part of subsistence expenses. Therefore, travel on an actual expense basis will be authorized or approved only when it is established by the traveler that (1) he has no alternative but to incur hotel costs which would absorb all or practically all of his maximum per diem allowance, and (2) other reasonable necessary actual subsistence expenses would result in total costs exceeding the per diem allowance by not less than 25 percent.

Actual subsistence expenses may be authorized or approved for amounts not more than those stipulated above or any fraction thereof while in travel status. Reimbursement is in any event limited to the amount of the subsistence expenses actually incurred. The reimbursement voucher must itemize the amounts spent daily for (1) lodging, (2) meals, and (3) other subsistence expenses. Any amount in excess of \$5 must be itemized separately and receipts must be obtained whenever practicable for items costing more than \$5 (other than meals and tips). In all cases, receipts must be obtained for lodging.

The procedure followed in authorizing or approving travel on an actual subsistence expense basis is outlined in Section 4-2 of this Volume.

**LEAVE STATUS DURING TRAVEL**

Occasionally employees may be authorized for their convenience to take leave of absence during a period of travel; conversely, an employee on leave may be ordered to temporary duty and travel status

during a period of leave, and thereafter return to leave status or to his regular post of duty.<sup>1</sup>

The general principle governing payment of travel costs and per diem in lieu of subsistence in such cases is that the employee should neither gain nor lose by reason of the circumstances. However, whenever possible in such cases, the traveler should consult the Travel Section, Division of General Services, in advance to assure that he will observe the requirements which are applicable in the circumstances and thus avoid inadvertent personal loss.

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<sup>1</sup> See SGTR, sec. 6.

## **Section 5**

### **TRAVEL ADVANCES**

Standards and procedures for the advance of funds for official travel and employee transfer expenses and for recovery of such advances are prescribed in Section 13 of the Standardized Government Travel Regulations and Executive Order 9805, as amended. The provisions of the cited regulations, as implemented by 7 GAO 5310 and 5320, are included herein, together with related administrative policies.

#### **RESPONSIBILITY FOR MAKING AND ASSURING RECOVERY OF ADVANCES**

Functional responsibility for making advances of funds for official travel and employee transfer expenses and for assuring recovery of such advances has been placed in the Division of Finance and Accounts.

Authority to approve individual advances and to take appropriate action to assure repayment thereof, in accordance with the provisions of law, governing regulations and administrative policies, has been delegated to the designated Authorized Certifying Officers.

#### **ELIGIBILITY FOR AND PURPOSE OF ADVANCES**

Any employee who is authorized to perform official travel at government expense, or to incur expenses incident to a transfer from one official station to another, is eligible to receive an advance of funds (subject to the limitations set forth in his travel authorization and as provided below under the heading Computation and Approval of Travel Advances) to defray the anticipated out-of-pocket costs which he otherwise would be required to bear from personal funds pending reimbursement of such expense.

#### **SECURITY REQUIRED FOR ADVANCES**

In accordance with the governing regulations, the amount of an employee's salary earned but not yet paid, accrued annual leave, and the amount of his credit in the Civil Service Retirement and Disability Fund, are available as security for travel advances. However, if an employee requests an advance, the amount of which is in excess of the security so provided, a surety bond or other security sufficient to fully protect the Government's interest shall be obtained. The Comptroller General has ruled that the cost of surety bonds obtained for this purpose shall be borne by the Government.

**APPLICATIONS FOR TRAVEL ADVANCES**

In all cases where an employee desires an advance of funds, whether under normal or emergency conditions, he shall execute S.F. 1038-Revised, *Application and Account for Advance of Funds*. The number and date of the *Travel Order*, Form H-25, authorizing the travel, or travel and transfer expenses, for which the advance is requested and the amount applied for shall be shown on the application, which shall be signed by the employee. In those cases where a surety bond is required, the name of the surety, the bond number (if any) and the date of execution of the bond, shall be noted on the application. If the employee desires to have the check mailed to him, he shall indicate the mailing address on the application; otherwise, it will be assumed that the employee desires to have the check delivered to him at his office through the messenger service.

The signed application shall be submitted or presented to the Division of Finance and Accounts. In the case of an emergency travel advance, the signed application shall be accompanied by the required basic document (see Emergency Travel Advances, below).

Normal travel advances will not be approved for amounts less than \$50. However, emergency travel advances for \$50 or less will be approved.

**COMPUTATION AND APPROVAL OF TRAVEL ADVANCES**

Each application for an advance of funds (S.F. 1038-Rev.) will be reviewed in the Division of Finance and Accounts, and determination made as to the appropriate amount for approval, in light of the applicant's *Travel Order* and the limitations established by regulations and administrative policy, as follows:

- (1) The amount of the advance shall be based on the estimated per diem and/or mileage allowances and incidental expenses for which the employee will be entitled to reimbursement under his travel authorization, taking into consideration the probable duration of the travel and the time that will elapse before receipt and payment of his *Travel Voucher*. In case a transfer of official station is involved, there may be included in the advance that part of the estimated cost of shipment of the employee's household goods and personal effects for which the OA will be responsible, such amount to be determined by the Travel Section, Division of General Services. The cost of transportation to be procured by or for the employee on *United States of America Transportation Requests* may not be included in computing the total amount of advance, although an allowance may be made for the estimated cost of necessary taxi fares and incidental expenses allowable under the Standardized Government Travel Regulations, as amended, if it appears that the employee will incur such expenses.

- (2) An advance to an employee holding an individual trip order shall not be approved in an amount which exceeds the estimated costs of travel for the period authorized in the order.
- (3) An advance to an employee holding a blanket travel order shall not be approved in an amount which exceeds the estimated expenses for which the employee will claim reimbursement on his next periodic *Travel Voucher*.

#### EMERGENCY TRAVEL ADVANCES

Emergency travel advances, which are limited to a maximum of \$50, will be approved for payment in cash from Imprest Funds only in those instances where travel orders are received too late to permit processing a *Voucher and Schedule of Payments* through the Treasury Regional Office for issuance of a check prior to departure of the traveler. Where payment of an emergency travel advance is to be made from Imprest Funds, the employee-applicant shall prepare a basic document on S.F. 1012, *Travel Voucher*, adapted for this purpose in accordance with Exhibit A or B as appropriate. Such document shall state that payment is required from Imprest Funds. The original and one copy shall be submitted to the Division of Finance and Accounts, together with the signed application (S.F. 1038-Rev.). An Authorized Certifying Officer will indicate approval of the amount to be disbursed by signing in the space provided on the form.

The approved original basic document (S.F. 1012) and one copy thereof shall be presented to the Cashier in the Division of Finance and Accounts and the employee-applicant shall acknowledge receipt of payment by signing in the space provided therefor on the form. If the basic document is not presented in person by the applicant, the Cashier may make payment to a representative of the applicant, provided the applicant has executed the receipt for payment prior to such presentation.

#### RECOVERY OR REPAYMENT OF TRAVEL ADVANCES

Amounts advanced to employees for travel, or travel and transfer expenses will be repaid or will be recovered when the need for such advances has ceased, in accordance with the following standards:

- (1) An amount advanced for the expenses of a particular trip authorized by an individual trip order will be recovered upon conclusion of the travel and the submission of the employee's *Travel Voucher* claiming reimbursement for the related travel expenses.
- (2) An amount advanced for transfer expenses will be recovered upon conclusion of the shipment of the employee's household goods and personal effects and the submission of his *Travel Voucher* claiming reimbursement for the authorized transfer expenses.

- (3) An employee who is in a more or less continuous travel status may be permitted to retain a travel advance as long as it is anticipated that the official travel required of him will justify the amount of the advance. Accordingly, an advance to an employee to whom a blanket travel order has been issued, or to whom frequent individual trip orders are issued, may be continued without recovery until submission of the employee's final *Travel Voucher*, provided such travel order evidence of the need for continuous travel is on file in the Division of Finance and Accounts and the employee is submitting periodic *Travel Vouchers*.
- (4) If a trip for which an advance was made is canceled or indefinitely postponed, as evidenced by a notice of cancellation of the travel order, or advice of postponement of the authorized travel, the amount of the advance shall be repaid by the employee.
- (5) If an employee to whom an advance was made is separated for any reason, prompt administrative action will be taken to assure recovery, by withholding the employee's final salary payment until he is cleared of the indebtedness, in accordance with the provisions of Section 2-4-3.

Recoveries of travel advances will usually be made in connection with settlement of the related *Travel Voucher* by deducting the amount of the advance from the amount otherwise payable as reimbursement to the employee. If the advance exceeds the amount of the voucher, the difference shall be repaid by the employee.

EXHIBIT A

STANDARD FORM NO. 1012 7 GAO 1300 1012-105						TRAVEL VOUCHER	
DEPARTMENT, BUREAU, OR ESTABLISHMENT <b>HOUSING AND HOME FINANCE AGENCY, Office of the Administrator</b>						VOUCHER NO.	
PAYEE'S NAME <b>James R. Smith</b>						PAID BY	
MAILING ADDRESS <b>(Give organizational Unit, Office or Division, and actual location.)</b>							
OFFICIAL DUTY STATION <b>Washington, D. C.</b>			RESIDENCE				
FOR TRAVEL AND OTHER EXPENSES FROM (DATE) <b>2/20/62</b>		TO (DATE) <b>2/21/62</b>		TRAVEL ADVANCE Outstanding \$		CHECK NO.	
APPLICABLE TRAVEL AUTHORIZATION(S) NO <b>0287</b>		DATE <b>7/3/61</b>		Applied to be applied Balance to remain outstanding \$		CASH PAYMENT RECEIVED  (DATE) (SIGNATURE OF PAYEE)	
TRANSPORTATION REQUESTS ISSUED							
TRANSPORTATION REQUEST NUMBER	AGENT'S VALUATION OF TICKET	INITIALS OF CARRIER ISSUING TICKET	MODE, CLASS OF SERVICE, AND ACCOMMODATIONS*	DATE ISSUED	POINTS OF TRAVEL		
					FROM-	TO-	
<b>EMERGENCY TRAVEL ADVANCE</b>							
Payment from Imprest Fund is required for advance under travel authorization:							
Outstanding					\$	xxx.xx	
Additional					\$	xx.xx	
Total Outstanding					\$	xxx.xx	
** Certified correct. Payment or credit has not been received.							
(Date)				(Not required)		AMOUNT KNOWN	
				(Signature of Payee)		→ xxxxx	
APPROVED (Supervisory and other approvals when required)					DIFFERENCES		
(Not required)							
NEXT PREVIOUS VOUCHER PAID UNDER SAME TRAVEL AUTHORITY		D.D. SYMBOL		DATE (MONTH-YEAR)		Total verified correct for charge to appropriation(s)	
VOUCHER NO.							
Certified correct and proper for payment:						Applied to travel advance (appropriation symbol)	
(Date)		(Authorized Certifying Officer)				NET TO TRAVELER →	
ACCOUNTING CLASSIFICATION (Appropriation symbol must be shown, other classification optional)							
* Abbreviations for Pullman accommodations: MR, master room; DR, drawing room; CP, compartment; BR, bedroom; DSR, duplex single room; RM, roomette; DRM, duplex roomette; SOS, single occupancy section; LB, lower berth; UB, upper berth; LB-UB, lower and upper berth; S, seat. ** FRAUDULENT CLAIM—Falsification of an item on an expense account works a forfeiture of the claim (18 U.S.C. 2514) and may result in a fine of not more than \$10,000 or imprisonment for not more than 5 years or both (18 U.S.C. 287, cf. 1001).							

EXHIBIT B

STANDARD FORM NO. 1012 7 GAO 5300 1012-105		TRAVEL VOUCHER				VOUCHER NO.
DEPARTMENT, BUREAU, OR ESTABLISHMENT <b>HOUSING AND HOME FINANCE AGENCY, Office of the Administrator</b>					PAID BY	
PAYEE'S NAME <b>John G. Jones</b>						
MAILING ADDRESS <b>(Give organizational Unit, Office, or Division, and actual location.)</b>						
OFFICIAL DUTY STATION <b>Washington, D. C.</b>			RESIDENCE		CHECK NO.	
FOR TRAVEL AND OTHER EXPENSES FROM (DATE) <b>2/26/62</b> TO (DATE) <b>2/27/62</b>			TRAVEL ADVANCE			
APPLICABLE TRAVEL AUTHORIZATION(S) NO. <b>488</b> DATE <b>2/23/62</b>			Outstanding <b>\$</b>			
			Amount to be appropriated <b>\$</b>		CASH PAYMENT RECEIVED	
			Balance to remain outstanding <b>\$</b>		(DATE) (SIGNATURE OF PAYEE)	
TRANSPORTATION REQUESTS ISSUED						
TRANSPORTATION REQUEST NUMBER	AGENT'S VALUATION OF TICKET	INITIALS OF CARRIER ISSUING TICKET	MODE, CLASS OF SERVICE, AND ACCOMMODATIONS*	DATE ISSUED	POINTS OF TRAVEL	
					FROM-	TO-
			<u>EMERGENCY TRAVEL ADVANCE</u>			
			Payment from Imprest Fund is required for advance under travel authorization:			
			Outstanding		None	
			New		<u>XX.XX</u>	
			Total Outstanding		<u>\$ XX.XX</u>	
** Certified correct Payment or credit has not been received.					(Not required)	AMOUNT PAID
(Date)					(Signature of Payer)	Dollars
					→	Cts
APPROVED (Supervisory and other approvals when required)					DIFFERENCES:	
(Not required)						
NEXT PREVIOUS VOUCHER PAID UNDER SAME TRAVEL AUTHORITY VOUCHER NO.			D.O. SYMBOL		DATE (MONTH-YEAR)	
Certified correct and proper for payment:					Total verified correct for charge to appropriation(s)	
					Applied to travel advance (appropriation symbol)	
(Date)					NET TO TRAVELER →	
(Authorized Certifying Officer)						
ACCOUNTING CLASSIFICATION (Appropriation symbol must be shown; other classification optional)						
<small>* Abbreviations for Pullman accommodations: MR, master room; DR, dining room; CP, compartment; BR, bedroom; DSR, duplex single room; RM, roomette; DRM, duplex roomette; SOS, single occupancy section; LB, lower berth; UB, upper berth; LB-UB, lower and upper berth; S, seat.  ** FRAUDULENT CLAIM—Falsification of an item in an expense account works for forfeiture of the claim (28 U.S.C. 2514) and may result in a fine of not more than \$10,000 or imprisonment for not more than 5 years or both (18 U.S.C. 287, cf. 1001).</small>						

## **Section 6**

### **SUBMISSION OF TRAVEL VOUCHERS**

Vouchers for the reimbursement of travel expenses shall be submitted on S.F. 1012, *Travel Voucher*, in original and two copies. S.F. 1012a is used for the copies.

#### **TIME OF SUBMISSION**

Employees making occasional trips shall submit vouchers to the Division of Finance and Accounts promptly on the completion of travel.

Employees traveling frequently or continuously shall submit to the Division of Finance and Accounts a single cumulative voucher each month, or as soon after the end of the month as they return to their headquarters.

#### **ADMINISTRATIVE APPROVAL OF TRAVEL VOUCHERS**

In all cases, S.F. 1012 shall be signed by the traveler and approved by the official who gave administrative approval for the travel. The use of first-class accommodations for commercial air travel if not included on the travel authorization shall be specifically justified on S.F. 1012 to insure compliance with the policy set forth in Section 3 of Part 4. Also, any unusual claims or charges not covered in the travel authorization shall be fully explained on the voucher or in attachments to it, and the voucher presented to the authorizing official for approval prior to submission to the Division of Finance and Accounts.

## **Section 7**

### **REIMBURSEMENT FOR TAXICAB FARES**

Government employees may be reimbursed for taxicab fares incurred while on official business within their official stations. It is the policy of the Office of the Administrator that employees may use taxicabs in lieu of public transportation only when their use can be justified as advantageous to the Government. Reimbursement may be allowed for actual fares plus tips of 10 cents, where the fares are \$1 or less, or 10 percent of the fare increased to the next multiple of 5 cents when fares exceed \$1.

#### **AUTHORIZING OFFICERS**

The Administrator, Deputy Administrator, General Council, Assistant Administrators, Division Directors and Commissioners, as authorizing officers, shall submit to the Cashier, Division of Finance and Accounts, a completed *Authorization and Signature Card* for each employee in his organization who has been authorized to approve the use of taxicabs. Form H-242 shall be adapted for this purpose. Use of a taxicab cannot be justified as advantageous to the Government when Government transportation is available. Therefore, the user shall determine by calling the Mail Room that a Government car is not available before using a taxicab.

#### **PROCEDURE FOR OBTAINING REIMBURSEMENT**

Each employee who uses a taxicab on official business shall keep a record of the date or dates of such use, places of departure and destination, fares, and tips, on S.F. 1164, *Claim for Reimbursement for Expenditures on Official Business* (Exhibit A). If the fare claimed for any one trip exceeds the charge for one person, the number of additional persons accompanying the claimant shall be shown following the applicable fare. Once each month the claimant shall date and sign the form in the space provided therefor, certifying that the claim is correct and proper, and present it to the approving officer, who certifies that the travel was advantageous to the Government by dating, signing and inserting the total amount claimed in the space provided for his signature. If the claimant is an approving officer or the designee of an approving officer, he shall sign in both of these spaces. The certification on S.F. 1164 acknowledging receipt of payment shall not be signed until payment is made by the Cashier, and then only by the person actually receiving the cash.

Ordinarily, S.F. 1164 shall be forwarded through regular messenger service to the Cashier who will process the request for reimbursement and provide the necessary cash for disbursement as shown hereinafter. A Form H-33, *Request for Special Messenger Service*, in an original and one copy, shall be prepared by the Cashier for each reimbursement. Cash disbursement will be made biweekly on salary paydays (alternate Fridays) through the same employees who distribute salary checks and bonds. These employees shall sign the S.F. 1164, acknowledging receipt of the cash from the Cashier. Likewise, these employees shall have the claimants sign Form H-33 to acknowledge receipt of the cash; however, if the claimant is not available, a representative of the claimant may receive the cash and sign the H-33. The original of Form H-33 may be retained by the employee distributing the cash and the other copy by the claimant's representative. (If the distribution is directly to the claimant, not through a representative, the copy of Form H-33 may be destroyed.) Later, when the claimant's representative transfers the cash to the claimant, the claimant shall sign the copy of the H-33 retained by the claimant's representative to acknowledge receipt of the cash.

In those instances where reimbursement can be justified on an immediate basis, such reimbursement will be provided if each claimant presents a properly approved S.F. 1164 in person to the Cashier. In each instance, the claimant shall sign the S.F. 1164 to acknowledge receipt of the cash.

EXHIBIT A

Standard Form No. 1164  
7 GAO 5100  
1161 304

CLAIM FOR REIMBURSEMENT FOR  
EXPENDITURES ON OFFICIAL BUSINESS

Voucher No. \_\_\_\_\_

Agency Housing and Home Finance Agency-Office of the Administrator

Name of claimant John B. Smith

Address 3410 Rac St., N.W., Washington, D. C. 20007

Indicate by applicable letter in column 2 below, whether expenditure was for (a) local travel \* or (b) telephone or telegraph.

PAID BY

Date	Type of Expend.	From	To	Fare or Toll	Tip	Total	
4-7-65	(a)	Lafayette Bldg. 811 Vermont Ave., N.W.	D. C. Redevelopment Land Agency 919 - 18 St., N.W.	\$ .75	\$ .10	\$ .85	
4-7-65		D. C. Redevelopment Land Agency	Lafayette Bldg. General Accounting Office, 441 G St., N.W.	.75	.10	.85	
4-15-65		Lafayette Bldg. General Accounting Office	Lafayette Bldg. DH&W-Office of Educ. 330 Indep. Ave., S.W.	.50	.10	.60	
4-15-65		Lafayette Bldg.	Lafayette Bldg.	.50	.10	.60	
4-27-65		Lafayette Bldg.	Lafayette Bldg. (Return trip includes 1 additional passenger)	.70	.10	.80	
				Totals	\$ 3.70	\$ .60	\$ 4.30

(Continue on reverse if necessary)

Miscellaneous expenditures: (Specify in detail)

Totals \$

I certify that this claim is correct and proper and that payment or credit has not been received.  
4-30-65 John B. Smith  
(Date) (Signature of claimant)

Approved, as advantageous to the Government, for \$ 4.30  
4-30-65 Richard C. Roe  
(Date) (Approving Officer)

ACCOUNTING CLASSIFICATION

Pursuant to authority vested in me, I certify that this voucher is correct and proper for payment in the amount of \$ \_\_\_\_\_  
This block not to be used for this procedure  
(Date) (Authorized Certifying Officer)

Paid by check No. \_\_\_\_\_

Received in cash, \$ 4.30  
5-5-65 John B. Smith  
(Date) (Signature)

\*If fare claimed exceeds charge for one person, the number of additional persons accompanying claimant will be shown, following applicable fare. If private automobile is used, show speedometer readings at beginning and end of trip in columns "From" and "To," and number of miles and rate per mile in columns "Fare or Toll" and "Tip," respectively.

## **Section 10**

### **FIELD TRAVEL BY CENTRAL OFFICE STAFF**

This Section establishes procedures to assure that Regional Administrators are informed with respect to the activities of Central Office staff members traveling within their Regions, whether such travel relates to functions for which the Regional Administrator is directly responsible or to matters concerning which, because of important public relations or important policy questions within his Region, the Regional Administrator should be informed.

These procedures apply to all field travel by Central Office employees, as set forth in this Section, unless the Administrator or Deputy Administrator determines that, because of the nature of the business to be transacted on a particular trip, it would be inappropriate to advise the Regional Administrator in advance of the visit or to discuss findings and recommendations with him.

#### **ADVANCE NOTICE OF TRAVEL**

When field travel by a Central Office employee has been authorized, his constituent unit or division head shall notify in advance the Regional Administrator in whose Regions the employee will visit.

#### **VISITS CONCERNED WITH REGIONAL OFFICE ACTIVITIES**

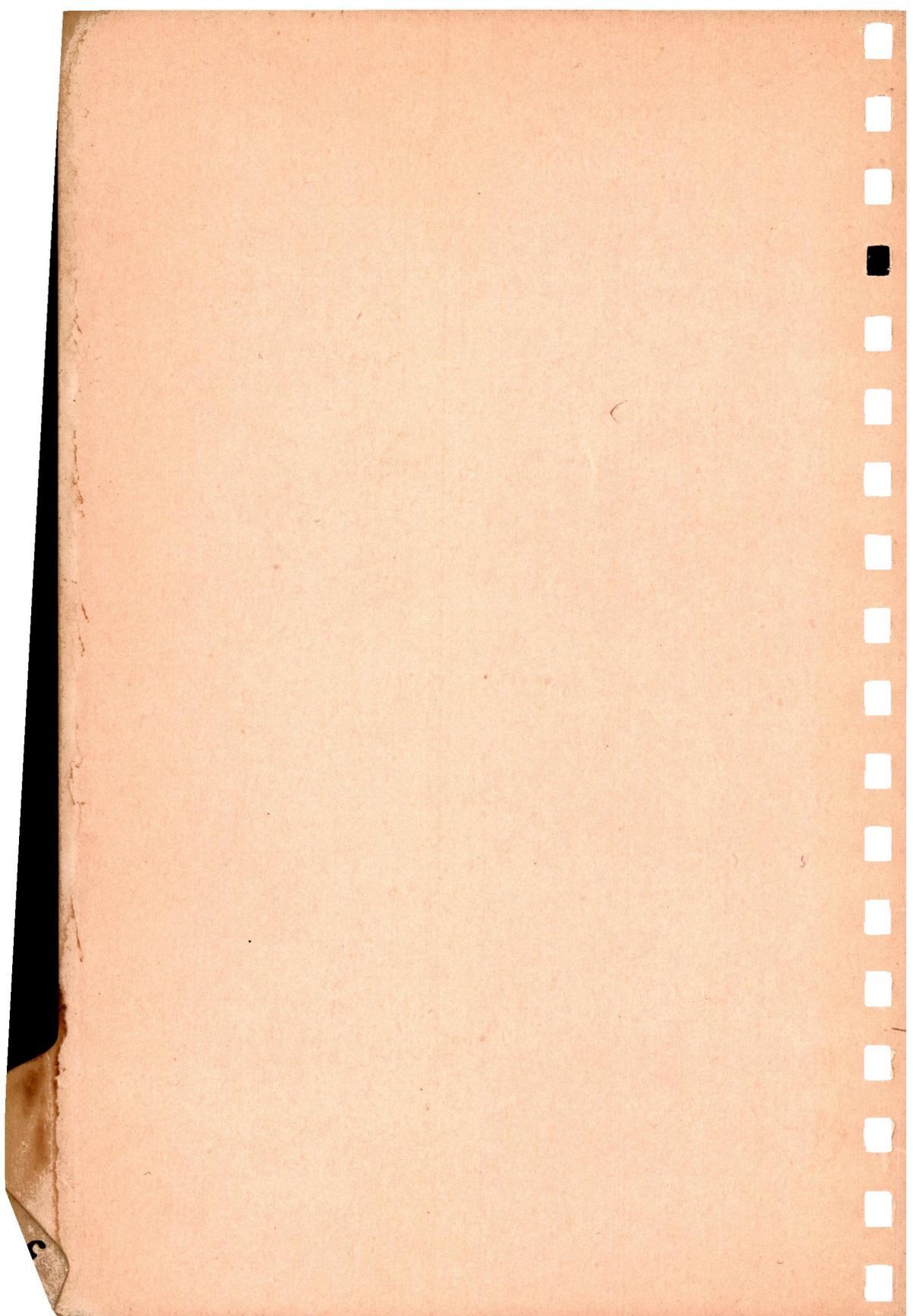
When the trip is concerned with activities for which the Regional Administrator is responsible, the traveler shall report to him upon arrival and explain the purpose of the visit. Upon completion of his business, the traveler shall discuss his findings and recommendations with the Regional Administrator. If he has made suggestions or given interpretations of Central Office instructions to employees of the Regional Office which will require changes in the operation of the office, the traveler shall immediately confirm them by memorandum to the Regional Administrator, preferably at the time of the visit. Copies of such memorandums shall be sent to the head of the appropriate Central Office organization.

#### **VISITS NOT CONCERNED WITH REGIONAL ACTIVITIES**

Since the Regional Administrator is the Administrator's representative in the field, his office may reasonably be called upon at any time for information in connection with any of the Administrator's functions which involve questions of public relations or questions of policy, whether or not operating responsibility has been assigned to the Regional Office. Central Office staff travel not concerned with Regional activities requires notification as prescribed in this Section under Advance Notice of Travel. However, reporting to or consultation with the Regional Administrator may be omitted unless the trip, in the opinion of the Central Office organization head responsible for the travel, involves significant questions of public relations or of policy. In such cases, the head of the organization and the traveler will comply with the following paragraph.

Whenever it can be arranged without extra per diem or transportation cost, the traveler handling business under this category shall call on the Regional Administrator on arrival and after the conclusion of his business to inform him generally of the purposes of the trip and the results accomplished. When such personal contact is not feasible, the Central Office, or the traveler in cases when he does not return directly to the Central Office, shall advise the Regional Administrator by memorandum or a copy of the traveler's trip report. Extra cost for transportation and per diem may be authorized in connection with any travel which, in the opinion of the organization head responsible, is of sufficiently high public relations or policy importance as to require reporting to the Regional Administrator at the time of the trip.





## Section 1

### HANDLING OF CLASSIFIED DEFENSE INFORMATION

Executive Order No. 10501,<sup>1</sup> provides for the protection of official information affecting the national defense against unauthorized disclosure. This Section prescribes procedures, pursuant to Executive Order No. 10501, for the handling and protection of such information in the Office of the Administrator and the constituent units.

#### CLASSIFICATION CATEGORIES

Information which in the interest of the national defense must be protected against unauthorized disclosure will be classified in one of three categories—*Top Secret*, *Secret*, or *Confidential*—as defined below. No other designation is authorized for classification purposes, except as expressly provided by statute.<sup>2</sup>

- (1) *Top Secret*. Except as may be expressly provided by statute, the use of the classification *Top Secret* shall be authorized, by appropriate authority, only for defense information or material which requires the highest degree of protection. The *Top Secret* classification shall be applied only to that information or material the defense aspect of which is paramount, and the unauthorized disclosure of which could result in exceptionally grave damage to the Nation such as leading to a definite break in diplomatic relations affecting the defense of the United States, an armed attack against the United States or its allies, a war, or the compromise of military or defense plans, or intelligence operations, or scientific or technological developments vital to the national defense.
- (2) *Secret*. Except as may be expressly provided by statute, the use of the classification *Secret* shall be authorized, by appropriate authority, only for defense information or material the unauthorized disclosure of which could result in serious damage to the nation, such as by jeopardizing the international relations of the United States, endangering the effectiveness of a program or policy of vital importance to the national defense, or compromising important military or defense plans, scientific or technological developments important to national defense, or information revealing important intelligence operations.
- (3) *Confidential*. Except as may be expressly provided by statute, the use of the classification *Confidential* shall be authorized, by appropriate authority, only for defense information or material the unauthorized disclosure of which could be prejudicial to the defense interests of the nation.

#### AUTHORITY TO CLASSIFY

The Housing and Home Finance Agency is not authorized to originate the classification of official information. Such authority is limited by

<sup>1</sup> 18 F.R. 7049.

<sup>2</sup> The former *Restricted* classification has been eliminated. This should not be confused with the term "Restricted Data" as defined in the Atomic Energy Act of August 1, 1946, as amended, the handling of which is not affected by Executive Order No. 10501.

Executive Order No. 10501 to agencies which, because of their national defense responsibilities, have been specifically designated for this purpose by the President. When, however, information made available to the Housing and Home Finance Agency has been originally classified by another agency, the classification assigned such information shall be maintained by the Housing and Home Finance Agency.

Should an employee originate information or material appearing to require classification under one of the definitions given above, he shall protect it according to the procedure prescribed for that category of classified defense information into which it is believed to fall and shall transmit it immediately to the Security Officer. The Security Officer will resolve the question of classification with the department or agency which has both the authority to classify the material and a direct official interest in the information it contains.

#### **DISSEMINATION OF CLASSIFIED INFORMATION**

Each employee is individually responsible for the maintenance of security and proper handling of classified information in accordance with the instructions in this Section, no matter how the information was obtained.

No employee shall knowingly accept *Confidential* or *Secret* information unless he occupies a position which has been designated as sensitive in accordance with the procedures established in Section 2-1-2. No employee shall knowingly accept *Top Secret* information unless he occupies a position which has been designated as sensitive in accordance with the procedures established in Section 2-1-2 and, in addition, has been specifically authorized by the Administrator to have access to such material.

No employee shall divulge classified information to another Agency employee until he has verified by reference to the list of sensitive positions or by contacting the Security Officer that the recipient has been cleared for security purposes, and then only when the employee to whom the information is to be given requires access to such information in connection with his assigned official duties.

#### **Dissemination To Other Federal Agencies**

Classified information shall not be disseminated to executive agencies of the Government outside the Housing and Home Finance Agency, except to the agency originating the classification of such information, without the consent of the originating agency. The Security Officer is responsible for securing such consent. No employee shall transmit classified information to executive agencies of the Government outside the Housing and Home Finance Agency, except to the agency originating the classification of such information, without written evidence from the Security Officer that consent has been given.

#### **Dissemination Outside the Executive Branch**

Classified information shall not be disseminated outside the executive branch of the Government without the consent of the agency originating the classification of such information, even though the person or agency to which dissemination of such information is proposed to be made

may have been solely or partly responsible for its production. The Security Officer is responsible for securing such consent.

The information shall be transmitted by letter, which shall be cleared by the Security Officer, signed by the Administrator, and transmitted through the Archivist. It shall specify the assigned classification, the use to which the information may be put, and the method to be used in returning any classified documents. The following notation shall be placed on the material and in the transmittal letter:

This material contains information affecting the national defense of the United States within the meaning of the espionage laws, Title 18, U.S.C., Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

#### **Conferences**

Information or material acquired in conference with employees from agencies having original classification authority, and believed to require classification, shall not be transmitted within the Housing and Home Finance Agency except in accordance with the regulations covering the dissemination of classified information.

When the Office of the Administrator or a constituent unit sponsors a conference at which classified information may be discussed or distributed, a list of the participants shall be forwarded in advance of the meeting to the Security Officer, who will secure information concerning the right of the participants to receive such information. Specific approval of the Security Officer shall also be obtained if the participants are to retain classified documents. In such cases, the employee responsible for the conference shall, immediately after the conference, furnish the Archivist with an accurate control record listing the document, the classification, the number of copies distributed, and the names of persons permitted to retain it.

#### **Telephone Conversations and Telegrams**

Classified information shall not be discussed in telephone conversations. Classified telegrams shall not be transmitted by commercial means. In emergency cases telegrams may be dispatched in coded form through special channels. In such cases, the clear text shall be delivered to the Archivist for clearance and dispatch.

#### **Loss or Subjection to Compromise**

Any person who has knowledge of the loss or possible subject to compromise of classified information shall promptly report the circumstances to the Security Officer for appropriate action, including notification to the originating agency.

#### **Reproduction of Classified Material**

No employee shall reproduce any classified material for any purpose without written approval of the Security Officer, which approval shall limit the number of copies to be made and specify the purposes for which they may be used.

Before approval is given for the reproduction of *Secret* or *Top*

*Secret* material, the Security Officer shall obtain the written consent of the originating agency.

#### **ACCOUNTABILITY FOR CLASSIFIED MATERIAL**

##### **Receipt of Classified Material**

Classified material received in the Office of the Administrator shall be delivered unopened to the Archivist. When classified material is delivered from another agency direct to an employee other than the Archivist, the inner envelope bearing the classification marking shall be left unopened, reinserted in the outer envelope and delivered by hand to the Archivist. A statement signed by the receiver, giving the time and circumstances of receipt, shall be endorsed on the inner envelope.

The Archivist will maintain accountability and control of classified material while it is in the Office of the Administrator or the constituent units. Documents and the related attachments shall be numbered for identification, and each page and each copy shall be numbered in sequence. The Archivist shall use Form H-1, *Mail Control*, to record the assigned number of the document, the classification, a brief description of the material, including attachments, the number of copies, and the distribution to be made. A copy of Form H-1 shall be attached to each distribution, and a pending copy retained by the Archivist. An employee receiving classified material from the Archivist shall return a signed copy of Form H-1 to the Archivist as a receipt for the material.

*Top Secret* documents received in the Office of the Administrator shall be delivered by the Archivist to the Administrator, whose office thereafter will be responsible for control of the material, including a record of the names of all persons who have access to it.

##### **Transfer of Classified Material**

Classified material rerouted within the Office of the Administrator and the constituent units or transferred from one organization to another shall in all cases be transmitted through the Archivist in order that the accountability records may be maintained.

##### **Transmission of Classified Material Outside the Office of the Administrator or to HHFA Regional Offices**

Classified material, including any copies of such material, transmitted outside the Central Office or to an HHFA Regional Office or an OA field office shall in all cases be transmitted through the Archivist in order that accountability records may be maintained and to insure compliance with the regulations relating to the handling of classified material.

Classified material, enclosed in unsealed, opaque inner and outer covers, shall be delivered to the Archivist by an employee authorized to have access to such material. The inner cover shall be a wrapper or envelope plainly marked with the assigned classification and address. The outer cover shall be addressed with no indication of the classification of its contents. Form H-19, *Request for Special Mailing*, with the "Registered" block checked, shall be attached if postal dispatch is recommended. Form H-33, *Special Messenger Service Card*, shall be attached if delivery by personal contact or authorized security

messenger is recommended. In either instance, the Archivist shall prepare Form H-1, identifying the addressor, the addressee, and the document, but containing no classified information. The Archivist shall attach a copy of this form to the inner envelope, which copy will be signed by the authorized recipient and returned to the Archivist.

**CUSTODY AND SAFEKEEPING OF CLASSIFIED MATERIAL**

The possession and use of classified material shall be limited to those places where the Archivist determines that secure storage and protection therefor, meeting the standards prescribed below, are available.

**Divisional Custodians**

The head of each organization where classified material is stored or used shall designate, in writing, an employee under his supervision as custodian of such material. The Security Officer and Archivist shall be furnished copies of each designation.

Custodians of classified material shall be responsible for protecting classified material within the division or office and shall maintain sub-accountability records of such material. The custodian shall inspect the facilities used for the storage of classified material each work day and shall personally ascertain, or shall assure himself that some other employee who is authorized to have access to classified material will ascertain, that the storage facilities are properly secured at the close of business.

**Use of Classified Material**

Daily operations should be performed in a manner which will encourage security practices to become routine. Custodians shall make frequent spot-checks to insure that security practices are being routinely followed.

Office rooms where classified documents are in use shall not be left unattended at any time during the working day unless all classified material is locked in proper storage facilities.

Classified documents shall not be exposed in a manner which would permit casual reading by a visitor. Visitors shall not be left alone with classified documents even for a brief interval. This precaution applies equally when repairmen, the char force, or other service employees enter an office.

In the event of a fire alarm, air-raid alarm, or upon the announcement of another similar emergency, employees shall immediately store classified material in the proper storage facilities and securely lock them before leaving the office.

Classified documents shall be returned to storage before the close of business each day. The custodians of classified material shall be responsible for examining such material when it is returned to insure that a Form H-1 is attached and that all material described thereon is accounted for.

Non-record material which might reveal classified information, such as shorthand notes, preliminary drafts, and used carbon paper, shall be safeguarded in the same manner as other classified material pending disposition. (See the heading "Disposition of Classified Material.")

**Storage Facilities**

Whenever classified material is not under the personal supervision of an employee authorized to have access to it, whether during or outside working hours, it shall be protected in proper storage facilities.

*Top Secret* material shall be stored in a locked metal three-tumbler combination lock safe or file safe. *Secret* and *Confidential* material shall be stored in the manner authorized for *Top Secret* material, or in a metal file cabinet equipped with a steel lock-bar and an approved three-tumbler combination dial-type padlock from which the manufacturer's identification numbers have been obliterated.

The Archivist will arrange with each organization head for the provision of reasonably accessible storage facilities for classified documents in the custody of that division. The location of such facilities may not be changed without the approval of the Archivist.

The head of each organization whose functions require the storage of such material will designate two persons, one of whom shall be the custodian, who shall be the only persons having knowledge of the combination to security storage facilities. Combinations shall be committed to memory and not written. The name, home address, and home telephone number of each person knowing the combination to a storage facility for classified material shall be posted on the front of the facility.

"Open" and "Closed" signs shall be placed in the handle of the top drawer of each storage facility for classified material as a visual warning to responsible employees to lock it at the end of the day or during unguarded periods during the regular working day.

**Changes of Lock Combinations**

Combinations on locks of storage facilities for classified material shall be changed whenever such equipment is placed in use after procurement from the manufacturer or other sources, whenever a person knowing the combination is transferred from the office to which the equipment is assigned, whenever the combination has been subjected to compromise, and at least once every year. Requests for changing lock combinations shall be made to the Archivist.

**Inspections**

The Archivist shall make periodic inspections of the adequacy of storage facilities for classified material.

Building guards will inspect storage facilities for classified material during the course of their regular building inspections after working hours. If such a facility is found to be unlocked, the building guard will call one of the persons listed as having access to it, and that person shall return to the building at once to inventory the contents of the storage facility and properly secure it. In addition, the guard will make a report to the Security Officer.

**CLASSIFICATION**

Although the Housing and Home Finance Agency is not authorized to assign an initial classification to defense material or information, it is necessary that employees know and apply the following rules in the handling, transmittal, and protection of such material or information.

**Documents in General**

Documents shall be classified according to their own content and not necessarily according to their relationship to other documents. References to classified material which do not reveal classified defense information shall not be classified.

**Physically Connected Documents**

The classification of a file or group of physically connected documents shall be at least as high as that of the most highly classified document therein. Documents separated from the file or group shall be handled in accordance with their individual defense classification.

**Multiple Classification**

A document, product, or substance shall bear a classification at least as high as that of its highest classified component. The document, product, or substance shall bear only one over-all classification, notwithstanding that pages, paragraphs, sections, or components thereof bear different classifications.

**Transmittal Letters**

A letter transmitting defense information shall be classified at least as high as its highest classified enclosure.

**Information Originated by a Foreign Government or Organization**

Defense information of a classified nature furnished to the United States by a foreign government or international organization shall be assigned, by proper authority, a classification which will assure a degree of protection equivalent to or greater than that required by the government or international organization which furnished the information.

**Marking of Classified Material**

Classified material shall be marked as follows:

- (1) *Bound Documents*: The assigned defense classification on bound documents, such as books or pamphlets, the pages of which are permanently and securely fastened together, shall be conspicuously marked or stamped on the outside of the front cover, on the title page, on the first page, on the back page and on the outside of the back cover. In each case the markings shall be applied to the top and bottom of the page or cover.
- (2) *Unbound Documents*: The assigned defense classification on unbound documents, such as letters, memoranda, reports, telegrams, and other similar documents, the pages of which are not permanently and securely fastened together, shall be conspicuously marked or stamped at the top and bottom of each page, in such manner that the marking will be clearly visible when the pages are clipped or stapled together.
- (3) *Charts, Maps, and Drawings*: Classified charts, maps, and drawings shall carry the defense classification marking under the legend, title block, or scale in such manner that it will be reproduced on all copies made therefrom. Such classification shall also be marked at the top and bottom in each instance.

- (4) *Photographs, Films and Recordings*: Classified photographs, films, and recordings, and their containers, shall be conspicuously and appropriately marked with the assigned defense classification.
- (5) *Products or Substances*: The assigned defense classification shall be conspicuously marked on classified products or substances, if possible, and on their containers, if possible, or, if the article or container cannot be marked, written notification of such classification shall be furnished to recipients of such products or substances.
- (6) *Reproductions*: All copies or reproductions of classified material shall be appropriately marked or stamped in the same manner as the original thereof.
- (7) *Unclassified Material*: Normally, unclassified material shall not be marked or stamped *Unclassified* unless it is essential to convey to a recipient of such material that it has been examined specifically with a view to imposing a defense classification and has been determined not to require such classification.
- (8) *Material Furnished Persons not in the Executive Branch of the Government*: When classified material affecting the national defense is furnished authorized persons, in or out of Federal service, other than those in the executive branch, the following notation, in addition to the assigned classification marking, shall whenever practicable be placed on the material, on its container, or on the written notification of its assigned classification:

This material contains information affecting the national defense of the United States within the meaning of the espionage laws, Title 18, U.S.C., Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

#### RECLASSIFICATION OF CLASSIFIED MATERIAL

Whenever an employee believes that classified material in his possession is classified too highly, or is not sufficiently protected by the assigned classification, he shall bring the matter to the attention of the Security Officer.

The Security Officer and the Archivist shall be responsible for the continuing review of classified material in order to preserve the effectiveness and integrity of the classification system and to eliminate accumulations of classified material which no longer require protection in the interest of the national defense.

The consent of the originating agency is necessary before classified material may be declassified, downgraded, or upgraded. Requests for reclassification shall be made through the Security Officer.

#### Change or Removal of Classification

Whenever classified material is declassified, downgraded, or upgraded, the material shall be marked or stamped on the first or the last page to show the change in classification, the date and authority for the action and the identity of the person or organizational unit taking the action. In addition, a line shall be drawn through the old

classification markings and the new classification markings (if any) substituted therefor. All addressees to whom the Office of the Administrator of a constituent unit may have transmitted the material shall be notified of any change thus effected in classification.

**Extracts and Paraphrases**

Extracts from or paraphrases of classified documents shall not be downgraded or declassified without the consent of the originating agency. Such consent shall be obtained through the Security Officer.

**Classified Telegrams**

Classified messages which have been transmitted by telegraph or other electrical means shall not be referred to, disseminated, extracted from, paraphrased, downgraded, or declassified without the consent of the originating agency. Such consent shall be obtained through the Security Officer.

**DISPOSITION OF CLASSIFIED MATERIAL**

When classified documents, including copies, become inactive they shall be delivered to the Archivist with recommendations for their disposition. Official record material may not be destroyed except with the permission of the Archivist of the United States and the Congress. The OA Archivist is responsible for obtaining this authorization through established procedures.

Non-record classified material, consisting of shorthand notes, preliminary drafts, used carbon paper, and other material of similar temporary nature shall be torn and stored in burn bags provided by the Archivist, or if the volume to be destroyed is small, in heavy opaque envelopes. Partially filled burn bags shall be stored in proper storage facilities overnight. Filled burn bags shall be delivered to the Archivist.

**ORIENTATION, INSPECTION, AND REVIEW**

The Security Officer shall be responsible for providing orientation and indoctrination for all employees who handle classified information, to assure that they are thoroughly familiar with the policies and procedures set forth in this Section. In addition, supervisors shall be responsible for assuring that all employees, whether or not their positions require that they handle classified material, read and familiarize themselves with the provisions of this Section.

The Security Officer shall periodically conduct such inspections of the places where classified materials are used and stored as are necessary to assure compliance with this Section. The Security Officer shall investigate all violations of these regulations and shall recommend corrective action, including disciplinary action when appropriate, to the constituent unit or division head.

The Security Officer shall make a continuing review of the implementation of Executive Order No. 10501 within the Central Office to insure that no information is withheld thereunder which the people of the United States have a right to know.

**CLASSIFIED MATERIAL RELATING TO PERSONNEL SECURITY**

The Security Officer is responsible for the handling of all classified material relating to the personnel security program. The Archivist shall be responsible for the disposition of any classified material arising out of the personnel security program.

## Section 2

### CORRESPONDENCE AND MAIL

The Office of Administration, Division of General Services, Records Management Branch, is responsible for the receipt, routing, control, follow-up, delivery and dispatch of communications within the Central Office. This Section prescribes the procedures necessary to the effective handling of communications by the Records Management Branch.

The term communications, as used herein, includes letters, memorandums, reports, copies, publications, cards, and parcels. The procedures in this Section do not pertain to radio or telegraphic messages (see Section 5-4), or to defense classified material (see Section 5-1).

The HHFA Correspondence Handbook provides additional detailed instructions to stenographers and typists for the control, preparation, and dispatch of communications.

#### RECEIPT AND DISPATCH CONTROL

All incoming communications are received in the OA Mail Room, and all are opened except those excluded by regulation, Executive Order (defense classified material), or administrative requirement, and communications marked "personal". Communications are stamped with the date and time of receipt and delivered by messenger to the office concerned. All official mail for the Housing and Home Finance Agency, Office of the Administrator or a constituent unit, should be addressed to the Normandy Building, 1626 K Street, N. W., Washington 25, D. C. When requesting anyone to write or forward data or information, regardless of the location of the requesting office, this mailing address shall be given. Originals of incoming communications may be retained only in locations officially approved by the Division of General Services as decentralized file units.

All outgoing communications shall be transmitted for dispatch to the OA Mail Room, unfolded and undated, with file and reference copies attached. The originating office shall address all envelopes except for mail to HHFA Regional Offices. When known, the city postal zone number shall be shown on all envelopes and labels.

Confidential personnel matters shall be transmitted to the OA Mail Room sealed and without file copies. Instructions for transmission of other classified material will be found in Section 5-1 of this Volume.

#### RESPONSE CRITERIA AND CONTROLS

Supervisors and employees shall insure that incoming communications receive prompt attention and response. For that purpose, the requirements described below shall be carefully observed.

##### Time Limits

The following time limits are established for reply to all communications not included in the fixed requirements for program performance and progress:

Telegrams ..... 1 day

Communications from Members of Congress, Cabinet Officers, Executive Office of the President, and those of an urgent nature not specifying a definite date for response .....	3 days
Routine Communications .....	5 days

#### Control of Priority Items

The OA Mail and Files Section shall maintain a control, using Form H-1, *Mail Control*, on all telegrams, important mail from Members of Congress, Executive Office of the President, Heads of Federal, State, and Municipal agencies and associations, organizations, and private individuals, registered mail, certified mail and mail containing checks, money orders, or currency.

The original of the Form H-1 shall be retained in the OA Mail and Files Section. The remaining copies will be attached to the incoming communication so that officials responsible for handling the communication can keep the Mail and Files Section advised of its status and have a record of the pending or final action. When the status of the communication changes from that shown on the form initially attached by the Mail and Files Section, the employee responsible for the change shall note the name and date in the next referral space on the form, detach one copy and forward it to the Mail and Files Section for change of record. The employee may also withdraw a copy of the form and file it alphabetically by name of sender, or numerically, for administrative reference. The mail control number on the Form H-1 shall be typed in the identification line on the file copies of the reply.

Each week a status report of mail shall be prepared for the Administrator on the basis of the outstanding control records in the Mail and Files Section. Communications will be considered delinquent if action has not been completed within the specified time limits. Each branch or division head shall be given a copy of that part of the report pertinent to his administrative responsibility. He shall note changes or comments concerning the delinquent status of the communication on the report and return the report to the Mail and Files Section for adjustment of control records.

#### Preliminary Acknowledgment

When a full reply to an incoming communication cannot be made within the time limit allowed, a preliminary acknowledgment shall be prepared within one day for telegrams or three days for other items. An acknowledgment, pending full reply, will serve to remove correspondence from control for a period of 15 days. Acknowledgments shall identify themselves as such, shall adequately identify the subject correspondence, and shall be as explicit as possible regarding the expected date of full reply. Upon expiration of the 15-day period, the correspondence will be delinquent until a full reply is prepared. If additional time is required in which to answer a communication, a memorandum shall be prepared to the Mail and Files Section with a copy to the Administrator giving the reason why it is not possible to prepare a reply within the established limits.

**No Reply Required**

In instances where no answer is required, filing authority shall be noted in the upper right hand corner of the communication together with the date and name of the individual making the determination. The communication and all related attachments shall then be forwarded to the Mail and Files Section for filing.

On controlled communications to which no answer is required and which will be retained in decentralized file units, the Form H-1 shall be initialed in the appropriate space and forwarded to the Mail and Files Section.

**CONGRESSIONAL CORRESPONDENCE****Communications Initiated by the Office of the Administrator**

All letters to Members of Congress initiated within the Office of the Administrator shall be prepared for signature of the Administrator, except:

- (1) Where an incoming letter from a Member of Congress is addressed to another official of the Office of the Administrator and its nature is such that signature of the reply by the addressee is indicated as a matter of courtesy. In such case, the outgoing letter shall be sent to the Administrator for review and clearance before dispatch over the signature of the addressee.
- (2) Repetitive or form letters addressed to Members of Congress may be signed by another official of the Office of the Administrator when the Administrator has cleared the content of the letter for such use.

**Referrals to Constitutents**

When an incoming communication from a Member of Congress requires consideration and preparation of reply by the Community Facilities Administration, Federal National Mortgage Association, Public Housing Administration, or Urban Renewal Administration, the referring official shall prepare a preliminary acknowledgment for the signature of the Administrator. The transmittal memorandum referring the communication to the constituent unit or agency shall request that the reply be prepared for the Administrator's signature within the time limit prescribed above, and that the entire file be returned to the Office of the Administrator, together with yellow, blue, and white file copies.

Communications addressed to the Administrator which pertain to a regular operational function of the Federal Housing Administration, may be referred to the Federal Housing Commissioner for direct reply. A preliminary acknowledgment shall be prepared for the Administrator's signature. The incoming communication shall be referred by transmittal memorandum signed by the Administrator, requesting that a copy of the reply be furnished to the Administrator's office for the completion of the files. Correspondence of a policy nature shall be prepared by the Federal Housing Administration for signature by the Administrator.

**Referrals**

When it is necessary to refer an incoming communication from a Member of Congress to an HHFA Regional Office for additional information, the referring official shall prepare a preliminary acknowledgment for the signature of the Administrator. The transmittal memorandum referring the communication to the Regional Office shall request that the incoming communication be returned to the Central Office with a draft of the recommended reply.

**Congressional Constituent's Communications**

When a Member of Congress requests that his constituent's communication be returned to him, it shall be attached to the reply to the Congressman. It is not necessary to make Agency copies of the attached letter. Instead, the substance of the communication should be adequately described in the reply, thus eliminating the additional work of typing and filing the document. However, if documentation is needed for the files and the letter is long, it may be reproduced on one of the Agency's labor-saving devices.

**Routine Correspondence**

Routine correspondence addressed to the Administrator which pertains to regular program operations, may be referred to the Commissioner of the appropriate constituent agency or unit, or to the Regional Administrator of an HHFA Regional Office, for direct reply. A preliminary acknowledgment shall be prepared for the Administrator's signature and the incoming communication referred by transmittal memorandum signed by the Administrator, with a request that a copy of the reply be furnished to the Administrator's office for the completion of the files.

**POSTAGE AND FEES PAID INDICIA**

All envelopes, labels, and cards procured for official use by the Office of the Administrator will bear the indicia *Postage and Fees Paid, Housing and Home Finance Agency*. This indicia will permit the dispatch of the classes of mail acceptable by the Post Office Department under the Penalty clause, and all special mailings which normally require postage.

**Dispatch of Mail**

Mail will be dispatched by the most economical and practical means serving the interests of the Agency. Mail shall be dispatched as regular unless a special service has been predetermined for certain contents or conditions; or a Form H-19, *Request for Special Mailing* (Exhibit A) is attached.

**To HHFA Regional Offices**

Mail to Regional Offices will be accumulated by the OA Mail Room and dispatched at the end of the day in an envelope provided by the Mail Room. Mail to Regional Offices, except Regions I and II, will be sent air mail. No request for Special Mailing shall be attached by the originating office unless a special type of service, i.e., special delivery, registered, air express, etc. is required.

**To Other Destinations**

Envelopes matching the letterhead stationery are available in the usual standard sizes. Except in the case of Regional mail, an envelope (or label) should accompany each letter or parcel to be mailed. Small envelopes rather than large envelopes shall be used whenever possible.

When speed is essential or additional protection is required, special mail services such as air mail, special delivery, registered, certified, foreign mail, or a combination of these, will be provided when accompanied by Form H-19. This form shall be prepared in original only by the office initiating the communication, with all pertinent data filled in except *Amount of Postage* and *Dispatched*. (See Correspondence Handbook, Chapter I, for instructions for indicating special service on letter and Chapter II for memorandums.)

**LOCAL INTERAGENCY MAIL****U. S. Official Mail and Messenger Service**

The United States Official Mail and Messenger Service provides for the delivery and collection of mail to and from Government agencies in the Washington area through the City Post Office. A U. S. Government Envelope (Standard Form 65) or a *Postage and Fees Paid* envelope shall be used for material to be dispatched through this service. The Mail Room will stamp "STOP" on the envelope and fill in the Stop number identifying the addressee. Standard Form 65 shall not be used to transmit classified material. Section 5-1 contains detailed instructions on the transmission of defense classified material, including the manner of wrapping or enveloping, and the method of delivery.

**Disposition of Penalty and Nonpenalty Articles**

Penalty indicia envelopes shall be used in their current authorized capacity until the stock is exhausted. Nonpenalty envelopes and labels shall be used for special mail services which formerly required postage. The OA Mail Room will stamp the indicia *Postage and Fees Paid, Housing and Home Finance Agency*, on these envelopes.

**Messenger Service**

Messenger service from the OA Mail Room is scheduled hourly to designated pickup and delivery stations. Offices shall provide file trays clearly labeled *Incoming* and *Outgoing* for messenger use.

Requests to establish or eliminate stations, or to add or delete names of employees serviced by such stations, shall be made by memorandum to the Records Management Branch.

Messenger trips to constituent agencies are made daily at 10 a.m. and 3 p.m. Special pickup and delivery services to other Federal agencies in the Metropolitan Washington Area are coordinated with these regularly scheduled runs. Materials to be delivered or requests for pickup of material must be in the OA Mail Room fifteen minutes before the scheduled trips.

**Special Service**

After 3 p.m., requests for material to be delivered by special messenger will be sent by U. S. Official Mail and Messenger Service if practicable, for the delivery by the Post Office Department the following morning.

Special messenger service is available for urgent official business only. The office requesting the service shall prepare Form H-33, *Request for Special Messenger Service* (Exhibit B), filling in all data necessary for information of the messenger to facilitate locating addressee. All copies of the form shall be attached to the material to be delivered.

Special service may be a pickup or delivery of material, or both. When the requested service is a pickup and a delivery, the names and room numbers shall be noted in the appropriate spaces on the form. A "1" shall be placed in the box to indicate which task comes first, and a "2" in the other box to indicate that it follows the first action.

On receipt of material delivered by special messenger, the receiving office shall sign the Form H-33, indicate the time of delivery, and return the form to the messenger.

Instructions regarding messenger delivery of defense classified material will be found in Section 5-1.

**Other Information or Instructions**

Any additional information or guidance required in these matters, including dispatch of mail to foreign countries and clarification of any uncertainty, should be resolved by inquiry direct to the OA Mail Room. The OA Mail Room is in operation until 7 p.m. Mail for dispatch after the last messenger pickup should be delivered to the Mail Room before that time.

EXHIBIT A

HOUSING AND HOME FINANCE AGENCY  
OFFICE OF THE ADMINISTRATOR

H-19  
(7-55)

### REQUEST FOR SPECIAL MAILING

<input checked="" type="checkbox"/>	Air Mail	<b>AMT. OF POSTAGE</b> \$ _____	<b>DISPATCHED</b>
<input type="checkbox"/>	Air Parcel Post		
<input type="checkbox"/>	Air Express		
<input type="checkbox"/>	Certified Mail		
<input type="checkbox"/>	Spec. Delivery		
<input checked="" type="checkbox"/>	Registered <input type="checkbox"/> Return Receipt		
<input type="checkbox"/>	Parcel Post		
<input type="checkbox"/>	Foreign Postage		
<input type="checkbox"/>	Freight and Express	DATE: <u>1/15/59</u>	

**ADDRESSEE:** DOE      REGION VI      SAN FRANCISCO      CALIF.

**REQUESTED BY:** ROE      GEN. SERV.      REC. MGMT.

LAST NAME
CITY
STATE

LAST NAME
DIV.
BRANCH

EXHIBIT B

HHFA - OA	<b>REQUEST FOR SPECIAL MESSENGER SERVICE</b>	H-33 (12-57)
Deliver to	<input checked="" type="checkbox"/> Name <u>Mary Smith</u> Location <u>827 Laf.</u>	
Pick up from at 4 P.M.	<input checked="" type="checkbox"/> Name <u>John J. Roe</u> Location <u>Room 406, Treasury Annex</u>	
REQUESTED BY		
NAME	<u>Mary Smith</u>	DATE <u>1/15/59</u>
RECEIVED BY		
NAME	<u>Mary Smith</u>	DATE-TIME <u>1/15/59 4:30</u>
TRIP NO.	MESSENGER	
ORIGINAL - To be signed and returned to messenger		

### **Section 3**

## **RECORDS MANAGEMENT**

Section 506(b) of the Federal Records Act of 1950 requires that the head of each Federal Agency establish and maintain an active continuing program for the economical and efficient management of agency records. Title 3 of the General Services Administration Regulations prescribes more specific requirements for compliance with that Act and with related legislative or regulatory measures.

This Section implements those requirements, by the designation of appropriate operating requirements, procedures, and areas of responsibility within the Central Office.

The provisions of this Section do not apply to classified defense material covered by Section 5-1, or to the personnel records provided for in the Federal Personnel Manual and augmented by internal operating procedures.

### **AREAS OF RESPONSIBILITY**

The Records Management Section, General Services Branch, Division of Administration, is charged with responsibility for establishing and maintaining:

- (1) Effective controls over the creation, organization, maintenance, use and disposition of Agency records.
- (2) Cooperation with the General Services Administration in developing and applying standards, procedures, and techniques designed to improve the management of records, assure the maintenance and security of records of continuing value, and facilitate the segregation and disposal of all records of temporary value.
- (3) Compliance with the provisions of the Federal Records Act and all related legislation and regulations.

Supervisory and operating personnel at all levels are responsible for cooperating with the Records Management Section in the objectives described above, and particularly to insure that:

- (1) Important policies and decisions are adequately recorded.
- (2) Routine operational paper work is kept to a minimum.
- (3) The accumulation of unnecessary files, filing equipment and supplies is avoided.
- (4) Maximum usefulness is obtained from official files through complete documentation.

### **CENTRAL FILES**

The Records Management Section of the General Services Branch is required to establish and maintain centralized files for the Housing and Home Finance Agency; included are correspondence and docu-

mentary materials originating in or received by the Agency in the transaction of public business or in pursuance of Federal law.

Each organizational unit shall send to the Central Files all original communications received and official file copies of all correspondence initiated. Exceptions to this requirement have been made by written agreement between the Director of the General Services Branch and certain organization heads. Such exceptions are granted with respect to record material required for functions which are administered from locations not readily accessible to the Central Files. When decentralization of files is authorized to any area, the records system, training of file clerks, and disposition of records in that area shall be subject to technical supervision of the Records Management Section.

#### **Charge-Out Control**

Material obtained from either Central Files or a decentralized file unit shall be recorded as a charge to the requesting employee. That employee thereafter shall notify the file unit of any subsequent transfer of the material to another person, in order that the charge-out record may be amended accordingly. The file clerk shall make inquiry concerning material charged out more than ten days, to effect its prompt return and safeguard the continuity of Agency files.

#### **DOCUMENTS IN CUSTODY OF FINANCE AND ACCOUNTS BRANCH**

The Chief, Analysis and Examination Section, Finance and Accounts Branch, is the designated custodian of certain documents which require special precautions against possible loss or misuse. These custody documents will be released only to members of the legal staff, loan examiners, or other duly authorized persons, for use in connection with official business.

Work space is available in the Analysis and Examination Section from 9 a.m. to 12 noon and from 2 to 5 p.m. each working day for the examination of custody documents. When a detailed examination is required which will necessitate the temporary release of such documents from the custodian's files, a trust receipt will be required for each file released. Files must be returned within five working days unless an extension has been arranged with the custodian.

#### **SAFEGUARDING AND DISPOSAL OF RECORDS**

The Federal Records Act imposes upon the heads of Federal agencies responsibilities for preventing the unlawful removal, defacing, alteration or destruction of official records; and the Records Disposal Act (44 U.S.C., sec. 380) requires that no records of the Government shall be alienated or destroyed except in accordance with the provisions of that Act. Severe penalties for the willful and unlawful destruction, damage or alienation of Federal records are prescribed in the U.S. Criminal Code (18 U.S.C., Sec. 2071).

Supervisors shall insure that all official record material is safeguarded accordingly. Reference or working files are not affected by these provisions. Questions as to interpretation should be directed to the Records Management Section.

When official records become inactive, they shall be transferred to the custody of the Chief, Records Management Section with recommendations for their preservation or disposal. The Records Management Section shall complete the necessary processing of such records according to law.

Requests for noncurrent records in the custody of this Agency, the National Archives, or other Federal agencies shall be made to the Records Management Section, where procurement and delivery will be effected.

## Section 4

### TELEGRAPHIC MESSAGES

This Section prescribes uniform methods and procedures for the use, processing, and control of telegraphic messages.

The Division of Administration, General Services Branch, Records Management Section, is the central control point for receipt and delivery of all incoming communications, and for the dispatch of all outgoing official messages.

Supervisors at all levels shall require employees under their supervision to familiarize themselves with this Section and will guard particularly against the use of telegraphic communication when less expensive means would serve the purpose sufficiently. Secretarial employees should refer also to the HHFA Correspondence Handbook.

The term "telegraphic message" as used in this Section means all written messages transmitted by wire or radio, and includes teletypes, telegrams, cablegrams and radiograms. These procedures do not apply to the transmission of confidential or higher classified material which shall not be transmitted by wire communications except as authorized in Section 5-1 of this Volume.

#### GENERAL CONDITIONS

The use of telegraphic messages shall be limited to urgent purposes which cannot be accomplished by air mail. Telegrams reserving hotel accommodations for official business may not be sent at government expense.

The appropriate constituent unit, division, or branch head shall furnish the Director, General Services Branch, with the names of employees authorized to sign telegrams and shall keep that office advised of changes in authorization. Only messages signed by an authorized employee will be accepted by the Mail Room for dispatch. Messages signed by unauthorized employees will be returned to the appropriate office head for approval before dispatch.

The OA Mail Room receives and controls all incoming telegraphic messages. If an official incoming telegram is delivered by a Western Union messenger directly to an individual or office, the telegram shall be forwarded at once to the Mail Room for record and control purposes.

Particular attention is directed to the time limits prescribed in Section 5-2 for response to or acknowledgment of telegrams.

#### TRANSMISSION SERVICES

The OA Mail Room will dispatch telegraphic messages by teletype and by commercial telegraph, according to the following criteria.

##### Teletype

The teletypewriter system operated by the Public Buildings Service, General Services Administration, shall be used for the transmission of official messages to Regional Offices and field locations, to other Federal agencies, and to foreign destinations.

The PBS Communications System transmits messages in the order they are received, following any special handling or delivery instructions.

Teletype messages are transmitted from the OA Mail Room from 8:45 a.m. to 6 p.m. Messages to Regional and field offices received after that time will be transmitted the following morning unless the sender advises that the addressee is waiting for the message, in which case it will be transmitted by Western Union.

Unless otherwise instructed, teletype messages directed to Regional Offices and received in the Mail Room Friday afternoon too late for transmission before the close of the business day, shall be sent to the addressee by regular-special delivery or air-mail special delivery.

#### Commercial Telegraph

Western Union Telegraph services shall be used for the transmission of all other official telegraphic messages.

Telegrams may be delivered to the OA Mail Room for pick up by Western Union messengers from 8 a.m. to 7 p.m.

The following classes of service are available for the transmission of Western Union telegrams to points within the United States:

- (1) Full Rate Telegram (Straight). The fastest service. The minimum charge to each rate zone is on the basis of 15 words; additional charges are made on the basis of each word over 15. Average transmission time—1 hour.
- (2) Day Letter (DL). A slightly deferred service at reduced cost subordinated only to full rate telegrams. The minimum charge to each rate zone is on the basis of 50 words, with an additional charge for each group of five words or less over 50. Average transmission time—2 hours.
- (3) Night Letter (NL). An overnight service. Messages are accepted during the day or night up to 2 a.m. for delivery the following business day. The minimum charge to each rate zone is on the basis of 50 words, with an additional charge for each group of five words over 50.

The originator shall indicate the class of service (STRAIGHT, DL, NL) for a telegram in the "Precedence" block, basing his judgment on the content of the message, the number of words, the location of the addressee, the time of dispatch, closing time of receiving office, the time zone, and the transmission time. If the class of service is not shown, the supervisor of the Mail and Files Unit will designate the class of service. Unless otherwise instructed, the Mail Room will send all messages which are addressed to state and municipal bodies, organizations, institutions, and firms by night letter when the transmission time as a straight message is insufficient to permit receipt before the close of the business day.

#### PREPARATION OF MESSAGE, STANDARD FORM 14

Telegraphic messages shall be prepared on Standard Form 14, Rev. March 15, 1957 (EXHIBITS A and B). Yellow and blue tissue shall be used for basic file copy requirements. White tissue shall be used for informational copies, when needed.

Telegraphic Message form shall be completed as follows:

*Name of Agency.* Leave blank for teletypes. For telegrams type "HOUSING AND HOME FINANCE AGENCY" and "OFFICE OF THE ADMINISTRATOR" in this space regardless of the organizational unit in which the telegram originates. This will facilitate billing by Western Union.

*Precedence.* Leave blank for teletypes. For telegrams use this space to indicate class of service, e.g., Full Rate (Straight), Day Letter (DL), Night Letter (NL). (The precedence system is not used for normal operations. It has been planned for use in the event of a national emergency.)

*Security Classification.* Leave blank. See Section 5-1 for instructions for transmission of classified wire communications.

*Accounting Classification.* Leave blank for teletypes. For telegrams type the name of the constituent unit, office or division in which the telegram originates. For collect telegrams type only "COLLECT" in this space.

*Type of Message.* Check appropriate box.

*Single.* Message with only one addressee.

*Book.* Message with two or more addressees. Address a book message intended for All Regions "TO ALL REGIONAL ADMINISTRATORS." (See Exhibit A.) Identical messages to two Regions may be addressed "TO REGIONAL ADMINISTRATORS IV AND V." Prepare only one set of file copies. If a book telegram other than to all Regions is directed to more persons than can be conveniently listed on the telegram form, address the telegram "TO ATTACHED LIST." List on a separate sheet of paper the names and addresses of the persons to whom the message is to be sent and attach to telegram form and to the official file copies.

*Multi-Address* Message with two or more addressees; used when one or more of the addressees needs to know the other recipients. Names and addresses are typed on the form, preceding the message. (See Exhibit B.)

*Message to be Transmitted.* Flush with the left-hand margin and one space from the top, single-space the name and address of the person for whom the message is intended. For teletypes to Regional Offices use only the name of the addressee, Agency identification, and city and state in which located. In addressing messages to field offices and when using commercial facilities include the street address also. When it is necessary to include an attention line place it between the addressee's name and the street address.

*Body of Message.* Begin body of message two spaces below last line of address. Use block style, beginning the first line of each paragraph at the left-hand margin. Double space and type in capital letters. If more than one page is needed, use additional copies of SF 14. Type the name of the official who will sign the message in the center, two spaces below the last line of the body of the message. On messages to HHFA Regional Offices type the name of the signer only, unless he is acting

for another, in which case he should be identified by acting title. Use a single phrase for identification and place it flush with the name.

*Page No., and No. of Pages.* Fill in only when message is two or more pages.

*Name and Title of Originator (Type.)* Leave blank. This information will appear in the identification line on the official file copies.

*Originator's Tel. No.* Leave blank.

*Date and Time Prepared.* Leave blank. The date shall be shown in the identification line on the file copies.

*Signature.* Signature of official whose name is typed above. The signer must be authorized to sign telegraphic communications.

*Security Classification.* See above.

*Carbon Copy Distribution.* Note carbon copy distribution on carbon copies only, by typing the abbreviation "cc" followed by a colon and an alphabetical listing by last name and room number of persons who are to receive carbon copies.

#### CHARGEABLE WORDS IN TELEGRAMS

Simplicity and clarity of expression shall be strictly observed. Unnecessary words shall be eliminated; code words and accepted initials of obvious meaning shall be used when appropriate.

The following basic rules shall be observed in the preparation of telegraphic messages: Avoid grammatical niceties in the text such as "please," "thank you," "Mr.," etc. Such words are appropriate in a letter but are costly in telegrams.

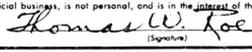
Punctuate sentences the same as in a letter. Do not use words such as "Stop," "Comma," "Period," in lieu of punctuation marks.

Omit articles "a," "an," and "the" and use coined words such as RETEL, URTEL, URLET, and abbreviations such as HHFA, GSA, FHA, to eliminate excess words in messages.

Use a single phrase after the signature, such as *HOUSING & HOME FINANCE AGENCY* since a charge is made for such further identification as a title or the name of the organizational unit.



EXHIBIT B

NAME OF AGENCY <b>HOUSING AND HOME FINANCE AGENCY</b> <b>OFFICE OF THE ADMINISTRATOR</b> ACCOUNTING CLASSIFICATION <b>CFA</b> <small>THIS BLOCK FOR USE OF COMMUNICATIONS UNIT</small>	PRECEDENCE ACTION: <b>STRAIGHT</b> INFO. TYPE OF MESSAGE <input type="checkbox"/> SINGLE <input type="checkbox"/> BOOK <input checked="" type="checkbox"/> MULTI-ADDRESS	CLASSIFICATION STANDARD FORM 14 REV MARCH 15, 1957 GSA REGULATION 2 (K) 203.04 <div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>TELEGRAPHIC MESSAGE</b>  <small>OFFICIAL BUSINESS U. S. GOVERNMENT</small> </div>
<small>MESSAGE TO BE TRANSMITTED (Use double spacing and all capital letters)</small>		<small>THIS COL FOR AGENCY USE</small>
<small>START MESSAGE ADDRESS HERE</small> <b>JOHN J DOE COMPANY</b> <b>ATTENTION HENRY Q SMITH</b> <b>1234 MAIN STREET</b> <b>RICHMOND VA</b>  <b>JOHN A JONES</b> <b>CONSTRUCTION ENGINEER</b> <b>HOUSING AND HOME FINANCE AGENCY</b> <b>900 N LOMBARD ST</b> <b>RICHMOND VA</b>  <b>ATTEND CONFERENCE MY OFFICE THURSDAY AUGUST FIRST NINE A.M. DISCUSS</b> <b>CONTRACT REQUIREMENTS.</b>  <div style="text-align: right;"> <b>THOMAS W ROE</b>  <b>COMMUNITY FACILITIES ADMINISTRATION</b> </div>		<small>DO NOT TYPE MESSAGE BEYOND THIS LINE</small>
NAME AND TITLE OF ORIGINATOR (Type) ORIGINATOR'S TEL. NO. DATE AND TIME PREPARED SECURITY CLASSIFICATION		PAGE NO.    NO. OF PAGES
I certify that this message is official business, is not personal, and is in the interest of the Government. <div style="text-align: center;">   <small>(Signature)</small> </div>		

GPO : 1957 O - P - 423399

## **Section 5**

### **LONG DISTANCE TELEPHONE CALLS**

#### **POLICY**

Long distance telephone calls shall be limited to urgent official business which cannot be transacted successfully by less expensive means. Calls should be limited to a few minutes whenever possible. Before placing a long distance call, thought should be given to the substance of the conversation and reference materials should be assembled.

Personal long distance calls shall not be made from official telephones and charged to the Government. In an emergency, however, when the employee has a residence telephone, the operator may be requested to have the call charged to that number.

The Administrator, Deputy Administrator, General Counsel, Assistant Administrators, Commissioners, and all Division heads are authorized to make and approve long distance telephone calls. They may authorize employees under their supervision to make and approve such calls.

#### **Authorization and Signature Card**

Form H-242, *Authorization and Signature Card*, adapted as illustrated by Exhibit A, should be executed by each officer and employee who is either (1) authorized both to make official long distance telephone calls and to approve calls made by others or (2) authorized to make long distance telephone calls on official business subject to the approval of an authorizing officer. These signature cards shall be retained on file in the Division of Finance and Accounts.

#### **FEDERAL TELECOMMUNICATIONS SYSTEM CALLS**

The General Services Administration operates the Federal Telecommunications System (FTS) covering over 426 cities in the 48 contiguous States. This System provides facilities for long distance telephone communications by Departments and Agencies of the Government at more economical cost than present commercial rates. Whenever possible the FTS shall be used for making long distance calls.

The General Services Administration has issued the FTS Users Guide and Supplement. They should be studied by personnel who place or authorize others to place long distance telephone calls.

#### **COMMERCIAL CALLS**

The term commercial call as used hereinafter means any long distance telephone call made through the use of facilities other than those of the

Federal Telecommunications System (FTS) and includes all incoming collect calls accepted and all calls to or from Alaska, Hawaii, or Puerto Rico or any other point outside the continental United States.

Long distance calls shall not be placed through commercial lines (if covered by FTS) unless a demonstrable emergency condition exists.

**Reporting of Long Distance Commercial Calls**

All official long distance commercial calls shall be reported daily on Form H-200.19, *Record of Long Distance Commercial Calls* (see Exhibit B). The report shall be certified by the employee authorized to make the call and signed by the authorizing officer or his designee. When the person making the call is authorized both to make and to approve the long distance commercial call, only one signature is required on Form H-200.19. The form shall be forwarded to the Division of Finance and Accounts not later than the close of business of the day following the day on which the call was made.





HOUSING AND HOME FINANCE AGENCY

H-200.19  
(8-64)

RECORD OF LONG DISTANCE COMMERCIAL CALLS

TO:  Division of Finance and Accounts (Central Office)  
 Administrative Division (Regional Offices)

\*Extension \_\_\_\_\_

Date calls made \_\_\_\_\_, 19\_\_

TYPE OF CALL **	NAME OF PERSON CALLED OR CALLING	PLACE CALLED OR ORIGIN OF COLLECT CALL	TIME CALL PLACED OR ACCEPTED	TIME CONSUMED (minutes)	PROGRAM CHARGEABLE

Constituent Unit \_\_\_\_\_ Organizational Unit \_\_\_\_\_

I certify that in the interest of the HHFA it was necessary to use the telephone for the above official long distance commercial call(s) and that a demonstrable emergency existed which prevented use of FTS.

\_\_\_\_\_  
*(Signature and title of individual making calls or accepting collect calls)*

\_\_\_\_\_  
*(Signature and title of Authorizing Officer or Designee)*

- \* Insert office extension charged for calls placed and for collect calls accepted.
- \*\* Insert applicable symbol as shown below:

IC - Incoming collect call accepted      DD - Direct dialing  
 OP - Call placed through Operator

EXHIBIT B

## **Section 6**

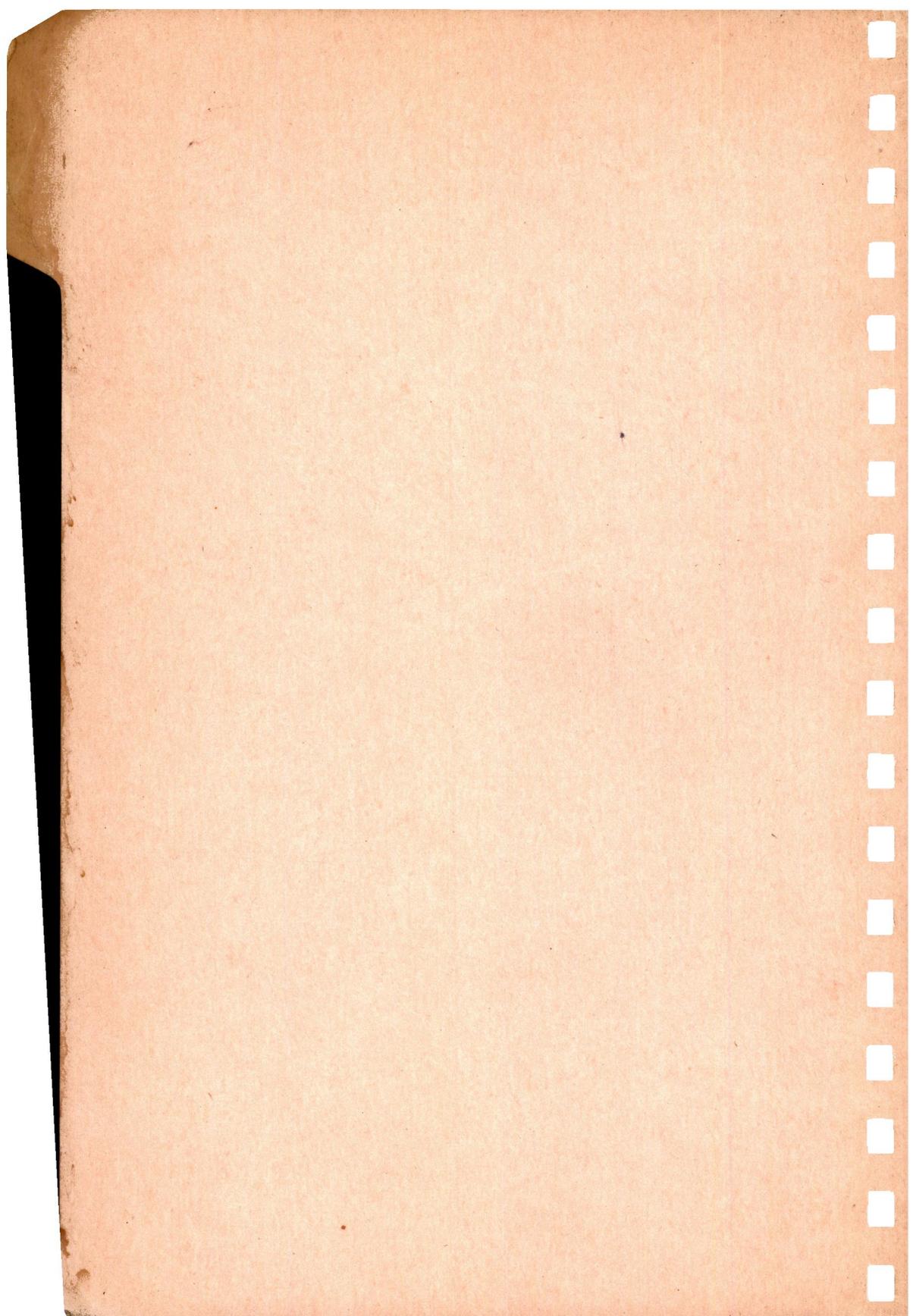
### **MONITORING OF TELEPHONE CALLS**

The use of devices which record telephone conversations is prohibited by the Federal Communications Commission unless the device transmits an audible warning that the call is being recorded. As a matter of policy, no telephone recording devices of any kind, either mechanical or electronic, will be installed or used by the Housing and Home Finance Agency.

No employee of the Agency shall intercept a telephone conversation without the consent of the parties involved except in connection with investigations related to the National security. No interception shall be undertaken or continued without submitting a justification to the Administrator and through his office obtaining the approval of the Attorney General.

Secretarial assistants may, without making complete or partial verbatim transcripts, take notes of telephone calls for the purpose of setting up appointments and meetings, obtaining letters, reports, documents or other data needed for reference during the call or subsequent thereto, and performing other usual secretarial duties.





## **Section 1**

### **PRINTING AND REPRODUCTION**

The Printing and Reproduction Section, General Services Branch, Division of Administration, is responsible for providing or procuring printing services, and for the distribution of HHFA publications and administrative releases. This Section explains how to request these services. (See Section 1-10 for information on how to request graphic and visual aid services.)

Printing and distribution services as used in this Section include:

- (1) Multilith (duplimat, colitho, et cetera).
- (2) Photo offset.
- (3) Printing.
- (4) Photostat.
- (5) Ozalid.
- (6) Finishing and binding services, such as assembling, stapling, punching, padding, and trimming and folding.
- (7) Forms design.
- (8) Varsitying.
- (9) Organization chart preparation.
- (10) Mechanical sign work.
- (11) Distribution of HHFA Manual (Volumes I through VII); LPA Manual (including LPA Letters)<sup>1</sup>; Regional Circulars; Staff Memorandums; and HHFA publications.

It is important that consultation with the Printing and Reproduction Section precede formal planning or requisitioning of any service in which materials will be reproduced in volume.

#### **REQUISITIONING PRINTING SERVICES**

##### **Clearance of Material**

Offices requisitioning services are responsible for the accuracy of the material and for obtaining required clearance approvals.

##### **Dating Material**

In order to facilitate filing and searching and to establish the time of issuance, offices preparing material for reproduction should be sure that it is dated. As a rule, forms, letters, memorandums, reports, and similar documents bear dates in prescribed places on the material; other material usually should be dated at the bottom of the last page. When no date is desired, a specific notation to that effect should be made on the requisition.

<sup>1</sup> The LPA Manual and LPA Letters are mailed on the same distribution list. Internal HHFA distribution is handled in accordance with Section 6-7. Distribution to local public agencies and others outside HHFA is controlled by the Urban Renewal Administration and requests for such distribution should be sent to the Director of Administrative Management, Urban Renewal Administration.

**Action by the Initiating Office**

To obtain printing services, prepare Form H-20, *Requisition for Graphics and Reproduction Services*, in original and three copies. (See Exhibit A.) Offices should serially number their requisitions, prefixing the number with the abbreviation of the name of the requisitioning organization unit. The Requisitioning Officer's name and title shall be typed in the space provided for his signature. Any question about the preparation of Form H-20 should be directed to the Printing and Reproduction Section.

Submit stencils, plates, and copy for multilith or photostat with the requisition. Material for printing should be discussed with the Printing and Reproduction Section and be submitted as prescribed. On Form H-20, under "Distribution of Material," indicate the number of copies to be reproduced and the quantity, if any, to be stocked. Material should be stocked only when justified by actual or anticipated needs, and estimates of quantity should take into consideration the nature of the material and the probability of obsolescence or revision. The possibility of sale of a publication to the public through the Superintendent of Documents should also be considered before submission of the material to the Printing and Reproduction Section, and supporting information on that point should be attached to the requisition.

The head of the requesting constituent unit or division, or a staff member authorized by him to request printing services, should sign the original of Form H-20 and route it with two copies of Form H-20 and the proposed material to the Budget and Organization Staff. When graphics and visual aids services are also required, indicate on the same Form H-20 as provided in Section 1-10.

**Reprint of Copyrighted Material**

When requesting the reprint of copyrighted material, the initiating office should send a letter to the copyright proprietor asking permission to use the material. The name of the copyright proprietor appears in the notice of copyright on each copy published or offered for sale. The letter must incorporate the following statements:

"We should like to have your consent to the free reprinting by us of not more than \_\_\_\_\_ copies for (state use, such as 'internal distribution to our Regional Offices for staff information'). Publication or republication by the Government of copyrighted material does not abridge or annul the copyright, nor does it authorize any further reproduction of the copyrighted material without your consent."

The letter of consent from the copyright proprietor should be attached to the original Form H-20 which is sent to the Printing and Reproduction Section.

It is generally permissible to reprint noncopyrighted material printed in a nongovernmental publication, but if there is any question, the initiating office should obtain written permission to reprint.

**Budget and Organization Staff Clearance**

The Budget and Organization Staff will review material for adequacy of clearances, administrative practicability, quantity, and distribution.

When additional clearances are required, the Budget and Organization Staff will ask the initiating office to obtain them.

The Budget and Organization Staff will forward approved requisitions and their attachments to the appropriate point for action. Requisitions involving action by both the Printing and Reproduction Section and the Graphics and Visual Aids Staff will show the Budget and Organization Staff approval on the original and one copy of the Form H-20.

#### **Action by the Printing and Reproduction Section**

Requisitions will not be processed by the Printing and Reproduction Section without approval by the Budget and Organization Staff unless clearance has been specifically waived by the Budget and Organization Staff or unless preliminary consultation is required prior to Budget and Organization Staff clearance.

The Printing and Reproduction Section will determine whether the process requested is economical and appropriate and will inform the initiating office if a significant change is to be made in the process requested.

Stencils and paper mats will be destroyed after copy is run unless the initiating office requests their return for a future rerun.

#### **REQUISITIONING THE PRODUCTION OF A NEW FORM**

To requisition the production of a new form, prepare Form H-20, *Requisition for Graphics and Reproduction Services*, as described above, and include a statement of the need for the form. Send the requisition and any attachment to the Budget and Organization Staff for clearance. The Printing and Reproduction Section will consult with the requesting office in developing the draft and final form.

#### **Requisitioning Copies of Forms**

Printed forms stocked by the General Services Branch are listed in the HHFA-OA Forms and Stationery Catalog. These forms are considered items of supply rather than printing. Section 6-2 explains how to requisition them.

#### **REQUISITIONING COPIES OF PUBLICATIONS**

The Printing and Reproduction Section stocks copies of HHFA publications normally in demand, other than legislative material. Legislative material is stocked and distributed by the Legislative Reference Unit in the Office of General Counsel. See Section 6-6 for information on the legislative reference service available in the Central Office.

To requisition copies of HHFA publications, prepare Form H-68, *Requisition for Publications*, in original and one copy (original and two copies if the requesting office wishes to keep a copy for its records). (See Exhibit B.) Send the original and one copy to the Printing and Reproduction Section. A routing slip is not required since routing instructions are printed on the form. Direct any question about the preparation of Form H-68 to the Printing and Reproduction Section.

Regulations published by the Joint Committee on Printing provide that no person connected with any department shall furnish to any private individual or private organization any publication for free distribution in lots to exceed 50 copies, unless the cost is less than \$10, without prior approval of the Committee. Requisitions for free distribution which exceed the above quantity and cost must be accompanied by a statement of justification, giving the name of the person or organization requesting the publication.

The Printing and Reproduction Section will complete the entries on Form H-68 and return the copy to the requesting office as notice that the requisition has been filled. The original will be retained in the Printing and Reproduction Section.

When stocks of publications requested are exhausted, the requesting office will be notified. Form H-68 will be held in the Printing and Reproduction Section until the requisition can be filled.

#### **REQUISITIONING COPIES OF ADMINISTRATIVE RELEASES**

Section 6-7 explains how to requisition administrative releases which are distributed through the General Services Branch.

## EXHIBIT A

HOUSING AND HOME FINANCE AGENCY OFFICE OF THE ADMINISTRATOR						H-20 (9-57)
REQUISITION FOR GRAPHICS AND REPRODUCTION SERVICES						
DESCRIPTION (Title): <input type="checkbox"/> CHECK IF RECUR					REQUESTING ORGANIZATION	
Form H-000, Register of Applications Processed					CFA	
PURPOSES AND USES: <input type="checkbox"/> CHECK IF FOR EXTERNAL DISTRIBUTION					REQUISITION NO.	
For internal control use.					CFA-2	
					DATE OF REQUEST	
					10/2/57	
					DATE COMPLETION REQUIRED	
					10/8/57	
MATERIALS ATTACHED					PERSON TO CONTACT DURING PRODUCTION	
					John Smith	
					EXTENSION 2311	
DESCRIPTION OF GRAPHICS OR VISUAL AIDS NEEDED					REQUISITIONING OFFICER'S NAME AND TITLE	
					Richard Jones	
					Management Analyst	
					<i>Richard Jones</i>	
					BUDGET AND ORGANIZATION STAFF	
					APPROVED	
					DATE	
					GRAPHICS AND VISUAL AIDS STAFF	
					APPROVED	
					DATE	
Publication			DATE	TIME	PLACE	Proofs _____ (In) _____ (Out)
Exhibit						Page Proofs _____ (In) _____ (Out)
Slides						Final job del. _____
Presentation						
Chart - Map						
Photographs						
Other (Specify)						
Photo assignment						
Released by Graphics for reproduction			(Date)		(Organization)	
DESCRIPTION OF PRINTING AND REPRODUCTION SERVICES REQUESTED						
METHOD OF REPRODUCTION	NO. PAGES OF COPY	NO. OF COPIES	STOCK	IMPRINTING	BINDING	PUNCHING
Multilith	2	250	WEIGHT	<input type="checkbox"/> ONE SIDE ONLY	ASSEMBLE	<input type="checkbox"/> TOP
Printing				<input checked="" type="checkbox"/> HEAD TO HEAD	<input type="checkbox"/> AS PAGED	<input type="checkbox"/> SIDE
Photostat Neg.			COLOR	<input type="checkbox"/> HEAD TO FOOT	<input type="checkbox"/> IN SETS	
Photostat Pos.			PAGE SIZE (in.)	<input type="checkbox"/> HEAD TO LEFT	_____ SHEETS PER SET	
Forms Design			FOLD TO (inches)		STAPLE	<input type="checkbox"/> TWO HOLES
Varytyping					<input type="checkbox"/> CORNER	<input type="checkbox"/> THREE HOLES
Other					<input type="checkbox"/> SIDE	
					<input type="checkbox"/> TOP	
					_____ SHEETS PER PAD	
					_____ SETS PER PAD	
DISTRIBUTION OF MATERIAL						
NAME			LOCATION			NO. OF COPIES
John Smith			Room 100, NRA			250
ADDITIONAL INSTRUCTIONS					GENERAL SERVICES BRANCH	
					APPROVED	
					DATE	

(Use reverse side if necessary)

## EXHIBIT B

H-68  
(2-52)HOUSING AND HOME FINANCE AGENCY  
OFFICE OF THE ADMINISTRATOR

## REQUISITION FOR PUBLICATIONS

(Submit in duplicate)

DELIVER THIS FORM PROMPTLY TO: 1. Graphics Section <u>1/</u>		Return <i>DUPLICATE</i> to Requesting Office. <i>ORIGINAL</i> will be retained in Graphics Section.	
2. ORDERED BY: Name <u>J. Smith</u> (Signature)		<b>GRAPHICS SECTION USE ONLY</b>	
Title <u>Chief, Eng. Section</u>		DATE RECEIVED <u>4-5-55</u>	DATE ORDER FILLED <u>4-5-55</u>
ROOM <u>400</u>	BLDG. <u>Normandy</u>	BACK ORDERED:	
PHONE <u>3421</u>	DATE <u>4-4-55</u>	FILLED BY: <u>D. W. Jones</u>	
TITLE OF PUBLICATION  <u>Modular Coordination in Dwelling Design</u>			
NUMBER OF COPIES  <u>4</u>		DELIVERY METHOD: <input type="checkbox"/> MAIL <input type="checkbox"/> SPECIAL <input checked="" type="checkbox"/> MESSENGER <input type="checkbox"/> RUN-STOP	
SEND TO:  <u>J. Smith</u> <u>400 Normandy</u>			

HFA-HLDD, Washington, D. C.

<sup>1</sup> Form H-68 should be sent to the General Services Branch. Existing stock of this form will be used until exhausted.

## Section 2

### SUPPLIES AND EQUIPMENT

Employees are individually responsible for the proper use and protection of Government personal property which may come within their custody or control.

#### REQUISITIONING PLAN

Each organization unit should have a requisitioning plan that consolidates its requisitions for office supplies and for equipment. The plan should be based on the size of the unit, physical location of offices within the unit, work volume, and diversity of activities. Each requisitioning unit should have a single storage cabinet of commonly used supplies. On request, the Property Management Section of the General Services Branch, Division of Administration, will help to determine an efficient requisitioning plan.

Needs should be anticipated far enough in advance to permit the submission of requisitions on a bi-weekly basis. Organization units should not keep more than a 30-day supply of commonly used items in their storage cabinets.

#### STOCK SUPPLIES AND FORMS

Office supplies which are commonly used are stocked in the central stockroom and are listed in the HHFA-OA Stock Catalog of Office Supplies. Requisitions for these items should show the item number, commodity description, and unit of issue as listed in the Catalog.

H-Forms and commonly used Standard Forms are also stocked in the central stockroom and are listed in the HHFA-OA Forms and Stationery Catalog. Requisitions for these items should show the form number and title as listed in the Catalog.

#### EQUIPMENT

Furniture, office machines, lamps and other items of equipment, which generally must be purchased when they are needed, are not listed in the stock catalog. The Property Management Section of the General Services Branch provides an initial set-up of equipment for each new employee on advice from the receiving Division or office of the date of the employee's entrance on duty and the nature of his duties. A minimum advance notice of ten days is required by the Property Management Section.

Additional equipment should be requisitioned in accordance with the instructions in this Section. Any question about the preparation of requisitions for additional equipment should be directed to the Property Management Section.

#### ACTION BY THE INITIATING OFFICE

To obtain supplies or equipment, prepare Form H-10, *Requisition for Supplies and Equipment*, in an original and three copies (see

Exhibit A). Offices should serially number their requisitions, prefixing the number with the abbreviations of the requisitioning organization unit.

Prepare separate requisitions for (1) supplies and forms listed in the HHFA-OA Catalogs, and (2) equipment and other items not listed in the HHFA-OA Catalogs.

Requisitions for equipment and other items not in the HHFA-OA Stock Catalog should include a complete description of the item, a statement explaining the need for the equipment, and the name of the person to whom the equipment is to be issued for use, as illustrated in Exhibit B.

The administrative assistant or employee who acts in this capacity should check all requisitions carefully to assure that they are properly filled out and that the commodity descriptions and justification are adequate.

When requesting supplies, the administrative assistant or employee who acts in this capacity may sign Form H-10. When requesting equipment, Form H-10 must be signed by the head of a Division, or the head of a Branch or comparable organization unit, or a staff member authorized by such official. Send the original and two copies of the form to the Property Management Section and keep one copy in the requisitioning office.

#### **DELIVERIES OF REQUISITIONED ITEMS**

When supplies and equipment are delivered, the Property Management Section will send the original Form H-10 with them. The staff member receiving the articles should sign the receipt certificate on the face of the form and give the form to the delivery clerk.

The staff member for whose use a special item of equipment is requested, such as a portable typewriter or a camera, is individually responsible for the equipment. When items of this kind are delivered, the Property Management Section will send the original and one copy of Form H-26, *Receipt for Property*, with them instead of Form H-10. The staff member for whose use they are issued and who is to be responsible for them should sign the original Form H-26, give the form to the delivery clerk, and keep the copy for his record.

#### **OUT OF STOCK ITEMS**

When items requisitioned are temporarily out of stock, the Property Management Section will send a copy of Form H-11, *Back Order*, to the requisitioning unit. When stock is replenished, the items will be delivered to the requisitioning unit with the receipt copy of Form H-11, *Back Order*. The staff member receiving the items should sign the receipt certificate on Form H-11 and give the form to the delivery clerk.

#### **INSPECTION AND ACCEPTANCE**

The nature of certain items of requisitioned equipment requires inspection and acceptance by a person in the requisitioning unit who is technically qualified to inspect and accept or reject them. In these

instances, the purchase order will specify delivery to that unit. The receipt, property records, and consignee copies of the purchase order will be sent to the requisitioning unit as advice of the incoming shipment. The equipment should be inspected promptly upon receipt. If it is acceptable, the staff member who inspected it should complete the receiving report section of the receipt and property records copies of the purchase order. The receipt copy should be sent to the Finance and Accounts Branch and the property records copy to the Property Management Section. If the equipment is not acceptable, the staff member should notify the Property Management Section promptly of the reasons for rejection.

EXHIBIT A

N-10 (5-50)  HOUSING AND HOME FINANCE AGENCY OFFICE OF THE ADMINISTRATOR		<b>REQUISITION                  FOR                  SUPPLIES AND EQUIPMENT</b>			REQUISITION NO. <b>IHA-97</b>  DATE <b>6-26-56</b>	
DELIVER TO			FOR USE OF GENERAL SERVICES BRANCH			
NAME <b>Jane Smith</b>	EXT. <b>4317</b>	APPROPRIATION	POSTED BY			
BUILDING <b>Lafayette</b>	ROOM NO. <b>511</b>	P.O. NO.	FILLED BY			
DIVISION AND BRANCH <b>International Housing Activities</b>		P.O. DATE	B.O. NO.			
ITEM NO. <small>(Catalog or Form)</small>	DESCRIPTION	QUANTITY	UNIT OF ISSUE	UNIT PRICE	AMOUNT	
85	Eradicator, Ink, 2 bottles to set	3	set			
216	Pencils, Writing, black, #2	6	dosen			
H-28	Transmittal Slip	3	pad			
S.F. 52	Request for Personnel Action	100	each			
LH-1	Letterhead, (OA), White, Bond, 8 x 10½	3	M			
I certify that the supplies and/or equipment requisitioned above have been received  _____ <small>(DATE)</small>		APPROVED BY: <i>Jane Smith</i> Jane Smith  TITLE <b>Administrative Assistant</b>				
_____ <small>(RECEIVING EMPLOYEE)</small>						

GSA-FPMR, Washington, D. C.

EXHIBIT B

M-10 (5-501)  HOUSING AND HOME FINANCE AGENCY OFFICE OF THE ADMINISTRATOR		REQUISITION FOR SUPPLIES AND EQUIPMENT			REQUISITION NO. P-79	
		DATE 6-27-56				
DELIVER TO			FOR USE OF GENERAL SERVICES BRANCH			
NAME Clara Smith		EXT. 4001	APPROPRIATION	POSTED BY		
BUILDING Normandy		ROOM NO. 821	P.O. NO.	FILLED BY		
DIVISION AND BRANCH Administration - Personnel Branch			P.O. DATE	B.O. NO.		
ITEM NO. (Catalog or Form)	DESCRIPTION	QUANTITY	UNIT OF ISSUE	UNIT PRICE	AMOUNT	
	Cabinet, Kardex, visible record, 5 x 8, 7-drawer  JUSTIFICATION:  Due to the increased number of personnel which this Agency has recently added to its staff, it is necessary that this office be furnished an additional visible record cabinet to maintain individual records of each position by name and job title. All available space in the visible file presently allocated to this office is in use.	1	each			
I certify that the supplies and/or equipment requisitioned above have been received			APPROVED BY: <i>Henry L. Watts</i> Henry L. Watts			
_____ (DATE)                      (RECEIVING EMPLOYEE)			TITLE Director of Personnel			

HRSA-PERS, Washington, D. C.

[The text in this block is extremely faint and illegible, appearing as a series of vertical lines and scattered characters. It likely represents a list or a table of data that has been lost or obscured in the scanning process.]

### **Section 3**

## **IDENTIFICATION CARDS**

Certain employees must show official identification cards to obtain admission to restricted areas or buildings or to identify themselves as official representatives of the Agency. This Section establishes procedures for issuance, use, and surrender of identification cards.

Form H-53, *Identification Card*, has been established as the official identification document for all employees other than those of the Compliance Division for which special credentials are issued. Form H-53 carries the employee's name, photograph, signature, and his physical characteristics, and states that the employee so identified is employed in a stated capacity and is engaged on official business. No further implication is intended or authorized, and the use of the card shall be restricted accordingly by the employee.

The extent to which the card is honored by other Government or private agencies depends entirely on the regulations of those agencies. Form H-53 is not intended, and shall not be used, as an official pass or to serve in lieu of a building pass or other credentials required and issued to visitors by another agency.

### **REQUEST FOR ISSUANCE**

Issuance of a card shall be requested on Form H-52, *Requisition for Identification Card*, which shall be prepared by the employee for whom the card is requested. Form H-52 shall be fully executed and shall describe the duties assigned the employee which necessitate issuance of a card. Requisitions shall be signed by the constituent unit or division head as requesting officer and sent to the Director, General Services Branch.

### **ISSUANCE**

The Director, General Services Branch, will issue and maintain controls on identification cards for employees. After approval by the Director, the General Services Branch will arrange for necessary photography and issue the completed card directly to the employee concerned. Issue shall be acknowledged by his personal signature of receipt at the bottom of the requisition, which shall be retained by the General Services Branch as the record of issue.

### **EMPLOYEE RESPONSIBILITY**

The employee is personally responsible for the proper use, protection, and ultimate return of the card issued to him. If a card is lost, damaged, or defaced, the employee shall immediately advise the Director, General Services Branch, by submitting a new requisition on Form H-52 for a replacement, stating thereon the circumstances of the loss or damage. Damaged cards shall be surrendered upon issuance of a replacement.

**RETURN OF CARDS**

When the holder of a card is separated or reassigned to duties not requiring a card, he shall surrender his card in accordance with the procedures outlined in Section 2-4-3, "Clearance for Final Salary Payment."

## **Section 4**

### **LIBRARY SERVICE**

The Library, General Services Branch, provides departmental library reference and bibliographic services for the Central and Regional Offices.<sup>1</sup> Publications available in the Library include specialized research material on the technical, legal, and economic aspects of housing, city planning, urban redevelopment, and related subjects, as well as periodicals and current publications relating to housing problems.

The Librarian is responsible for initiating and controlling procurement of all publications, including books, pamphlets, periodicals, newspapers, reporting services, etc., required in the official functioning of offices. Therefore, all requests for such material will be made directly to the Librarian, regardless of whether the publication is believed to be obtainable with or without cost, and regardless of other procurement means available to the requesting employee. Should the desired material not be available in the Library, the Librarian will then make request upon a constituent agency, the Library of Congress, or other appropriate source.

#### **BORROWING MATERIAL FROM THE LIBRARY**

Requests for library materials or services may be made by telephone, by memorandum, or in person. If delivery is requested, the regular messenger service will be used.

The loan period on material varies with the demand for the specific publications and the source from which they are obtained. Publications owned by the Library are loaned for one month unless they are in active demand, in which case the routing slip will indicate a shorter loan period. Materials borrowed from constituent agencies, the Library of Congress, university libraries, and other Government and private collections are loaned for two weeks.

During working hours, all borrowed material must be available at the borrower's desk for reference by others as needed. If it is essential that a publication be on hand in an office at all times, that office may request the Librarian to issue the publication as a desk copy and charge it to the office on an indefinite loan. Such publication must be available for reference by other staff members and is subject to recall at any time.

The Library will remind borrowers as materials become over-due. Prompt return is essential to good service.

#### **Periodicals**

The Library maintains lists of all currently received periodicals. Magazines of general interest will be placed on a magazine rack when first received, to permit the use of current issues in the Library by those interested. Magazines will be routed to staff members if needed

<sup>1</sup> The law collection is an integral part of the Library with a law librarian assigned to it. However, for information and copies of documents on current legislation, consult the Legislative Reference Section, Division of Law.

for official use. Current issues of periodicals are loaned for a maximum period of three days.

#### **Special Subject Interests**

Staff members may advise the Library of special subject interests, in which case related articles in periodicals and other publications subsequently received will be brought to their attention.

#### **Routing Slips**

All material loaned by the Library will be accompanied by a Form H-74, *Library Charge Slip*. This form will indicate the date the material is due to be returned to the Library. Material is returned through the messenger service by reversing the routing slip and attaching it to the borrowed material.

Form H-30, *Periodical Routing Slip*, will be attached to the magazines which are regularly routed. This form provides for return of the material to the Library.

#### **RESPONSIBILITY OF BORROWER**

The borrower is personally responsible for the proper care, handling, and return of material borrowed from the Library. Books are considered individual responsibility property, and those which are not satisfactorily accounted for shall be paid for or replaced by the borrower.

#### **REFERENCE AND BIBLIOGRAPHICAL SERVICE**

Staff members may request reference services from the Library by telephone, by memorandum, or in person. Such services may entail use of one simple reference source, or may involve extended searching of available sources as time permits.

*Housing Reference*, a periodically issued reading list of new material of special interest received in the libraries of the Housing and Home Finance Agency, is prepared by the Library. Requests to borrow material listed therein shall quote the item number shown at the left of each title.

#### **ADDING TO THE LIBRARY COLLECTION**

The selection of books, periodicals, and other library material is determined by the activities and programs of the various offices served. The Library attempts to meet and, if possible, to anticipate the reference needs of the Agency. The development of the Library collection depends also on the suggestions and specialized knowledge of the Agency staff. Recommendations for additions to the Library collection may be made by memorandum to the Librarian, giving a brief explanation of the value of the material.

## **Section 5**

### **OFFICE SPACE**

This Section prescribes policies and methods governing assignment, reassignment, and utilization of space by the Central Office in the District of Columbia. All such building space and related services are initially provided by the General Services Administration, including cleaning, maintenance and repair, alterations and improvements, heating, lighting, electricity, water, air-conditioning, and engineer, elevator, and guard service, except as such services may be provided by a lessor.

It is the responsibility of the General Services Branch, Property Management Section to obtain, allocate, and administer such space and related services available in a manner that will facilitate efficient operations by the Central Office and assure economical utilization of space and services.

#### **CRITERIA FOR ASSIGNMENT AND UTILIZATION OF SPACE**

Constituent units and divisions will be provided space and related services upon the basis of staff and operations, with due regard for criteria established by the General Services Administration for space utilization, particularly the square footage criteria prescribed for various functions in GSA Regulation 2-II-502:01. Observance of such criteria shall be supervised by the Property Management Section. However, each constituent unit and division shall make a continuing effort to improve its use of space, and shall advise the Section whenever space exceeds its needs.

Office space allowances prescribed by the General Services Administration are directed toward achieving a national average office space utilization of 90 square feet per employee. This shall be used as the base for planning space utilization subject to modification as required by special circumstances.

Additional space will not be assigned until it is jointly determined by the requesting organization and the Property Management Section that maximum use is being made of presently assigned space. Requests for additional space or for alterations or improvements in existing space or services shall be made and approved only when the change is shown to be necessary for efficient operation.

Requests for changes which cannot be shown to be necessary to efficient operation under normal criteria, for abnormal space per employee, or for special accommodations or services shall be presented only with a full statement of the special circumstances involved which justify non-adherence to normal criteria.

#### **REQUESTS FOR SPACE OR SERVICES**

All requests for space allocation, related services, or for changes in space or services currently assigned shall be made by the constituent unit or division head or his designee to the Property Management Sec-

tion as prescribed herein. Requests must be presented as early as possible to permit arrangement and accomplishment. Before presenting a request for space or related services, the requesting office shall ascertain that it is in accordance with the policies and criteria set forth above.

#### **Additional Or Other Space**

Additional space or revised accommodations shall be requested in a memorandum describing the necessity for the change and explaining how it will solve the problems involved. If personnel will be increased, the memorandum shall state the number, function, and expected dates of entry on duty for the new employees. An estimate of the additional square footage required shall be shown, together with the method used to compute the estimate. Requests for additional space must justify the total of all space to be used, rather than only the additional portion. Present space holdings or arrangements will not be accepted as adequate criteria for planning or justifying additional space.

#### **Structural Changes**

Requests for partitions or other structural changes, whether permanent or temporary in nature, will be approved only in cases of genuine need. Such changes shall be requested in a memorandum fully describing the circumstances and explaining why no alternative solution is feasible.

#### **Installation of Fixed Equipment**

Telephone installations at new space locations will be arranged by the Property Management Section on the basis of advice which it will obtain from the occupying division.

Provision and installation of other fixed equipment in new locations, alterations in existing installations of telephones or other equipment, or the provision of additional telephones or other equipment shall be requested and justified in a memorandum.

#### **Maintenance, Repair and Redecoration**

Requests may be made by telephone or memorandum for repairs or other work needed because of wear, damage, deterioration or other natural causes, including replacement of light bulbs, and repair or adjustment of heating, ventilating, or air-conditioning systems.

Repainting, refinishing, or other services justifiable only as redecoration rather than as necessary maintenance shall be requested in a memorandum establishing that the requested service will improve operating efficiency or describing the exceptional circumstances which make the service necessary.

#### **Moving of Furniture and Equipment**

When an office is to move to newly-assigned space, the Property Management Section will obtain diagrams of furniture placement and other information from the organization concerned and will thereafter make all other necessary arrangements.

Moving service required in connection with internal rearrangements within presently assigned space may be requested by telephone or memorandum, but must be made as early as possible to enable the Property Management Section to schedule and accomplish the move by the desired date.

#### **Janitorial, Building Guard, and Elevator Service**

Requests or complaints concerning these services should be made to the Property Management Section which will refer them to the Public Buildings Service which provides such services.

#### **Conference Rooms and Facilities**

Within the Central Office there are only a limited number of rooms suitable for general conference use. It is therefore essential that the initial request for conference rooms and facilities be presented at the earliest possible time to the Property Management Section. Initial requests may be made by telephone. If unusual or complex arrangements are involved, a written request will be required. Requests must include complete information such as the nature of the meeting, the sponsoring office, inclusive dates and hours of each session, and the number of persons who will attend.

Any special equipment desired should be requested separately on Form H-10, *Requisition for Supplies and Equipment*. The Property Management Section will install equipment so requested when properly justified.

Requests for use of conference rooms during any time outside of normal office hours must be made in writing and must identify any person who will attend who does not have the necessary building pass. The Property Management Section will then arrange for issuance to the guard of the required advance authorization.

#### **ASSIGNMENT AND UTILIZATION OF SPACE**

Assignments of space will be made in writing and recorded in detail on master floor plans by the Property Management Section which shall periodically review all space assignments to determine whether changes in staffing or functions will permit more economical and efficient arrangements.

Each constituent unit and division shall periodically review its use of assigned space to insure efficient and economical utilization, and shall report to the Property Management Section any excess space discovered or achieved. The Section will, upon request, assist any division in planning for more effective space utilization.

Constituent unit and division heads shall at all times exercise due diligence in the protection of assigned premises against damage by fire or other causes, and shall instruct their employees accordingly. Passageways shall be kept clear for emergency evacuation. Unauthorized devices shall not be connected to electrical circuits. When rooms are vacated, all lighting and other electrical equipment shall be turned off and windows closed to prevent damage by wind or rain.

Posters, signs, pictures, and similar objects shall not be mounted on the walls of any room, corridor, lobby or elevator without specific authorization by the Property Management Section. When authorized, such items may be mounted only by methods prescribed by that Section. Lobby displays must be specifically authorized.

Door signs will be provided and installed only by the Property Management Section.

#### **BUILDING SECURITY**

##### **Building Passes**

For the protection of Government-occupied premises after normal hours, the Public Buildings Service security and guard system requires presentation of the prescribed GSA Form 15, *Night, Sunday and Holiday Pass*, by any person desiring admittance. Issuance of these passes is arranged without request by the Property Management Section on the basis of employment records.

Each employee is personally responsible for safeguarding his pass against unauthorized or fraudulent use, and shall report its loss immediately to the Property Management Section to permit cancellation and replacement. Upon separation or transfer, the employee shall promptly surrender his building pass in accordance with Section 2-4-3.

##### **Personal Effects**

Safeguarding of personal effects is the personal responsibility of the employee, and neither the agency nor the Government can accept any responsibility for any loss. However, any report of lost property made to the Property Management Section will be referred to the Public Buildings Service for investigation and direct communication with the complainant.

#### **REPORTS AND RECORDS**

All reports and records required in connection with the administration and control of Central Office space and related services shall be made and maintained by the Property Management Section.

## Section 6

### LEGISLATIVE REFERENCE SERVICE

The Legislative Reference unit, OA Division of Law, provides reference service with respect to Congressional action and such executive action as is reflected in the Federal Register. This unit is responsible for the maintenance, and control of distribution, of copies of legislative material and of the Federal Register. For purposes of this section, the term "legislative material" includes Congressional bills, hearings, reports, the Congressional Record, and slip laws and the compilation of such material into legislative histories.

The Legislative Reference unit prepares a daily *Summary of Congressional and Executive Action of Interest to the HHFA*, which is distributed to OA personnel in accordance with a list maintained by the unit. Copies of material referred to in the *Summary* may be obtained from the unit, on a temporary or permanent basis depending on the need and the supply.

If a number of copies of a document published in the Federal Register are needed, the Legislative Reference unit should be informed immediately of the number of copies required, in order that reprints may be ordered from the Government Printing Office within five days following such publication in accordance with GSA Circular No. 76.

Requests for legislative reference material may be made by telephone or in person.

Legislative histories of housing laws and certain other laws affecting general administration of the Agency are available in the Legislative Reference unit for reference use.

Section 1

LEGISLATIVE SERVICE

The legislative service is a branch of the administrative service which is concerned with the preparation of bills, resolutions, and amendments to bills, and with the preparation of reports and documents for the legislature. It is also concerned with the preparation of the legislative calendar and the preparation of the legislative journal.

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## Section 7

### DISTRIBUTION OF ADMINISTRATIVE RELEASES

The following administrative releases are distributed through the Division of General Services:

HHFA Manual (Volumes I through VII)  
Urban Renewal Manual; LPA Manual; LPA Letters<sup>1</sup>  
Regional Circulars  
Staff Memorandums

#### INTERNAL DISTRIBUTION POLICY

Employees should have ready access to the administrative releases they need in connection with their assigned work. However, distribution should be restricted to actual needs in order to minimize costs of printing and maintenance.

Offices shall not stock extra sets of Manual or other releases. When additional distribution is required, the Division of General Services will automatically supply the material already issued prior to the date the new distribution becomes effective.

When the distribution of Manual material is decreased, excess binders and materials should be returned to the Division of General Services for stock. This does not apply to LPA Letters, Regional Circulars, or Staff Memorandums.

The following guides should be used in determining the distribution plan for administrative releases in the Central Office.

- (1) *Volumes I, II, and III.*—Volumes I, II, and III should usually be maintained on an organizational basis, as a reference available for use by all employees in a particular unit. Individual distribution should be made to employees who use particular Volumes frequently.
- (2) *Volumes IV, VI, and VII.*—Volumes IV, VI, and VII relate to specific programs and should be readily available, on an organizational or individual basis, to persons working on those programs.
- (3) *Volume V.*—Volume V pertains wholly to Regional Office administrative functions. Generally, information copies should be maintained in the offices of the constituent unit and office heads and their administrative officers. Individual distribution should be necessary only within the Office of Administration. Book II of this Volume, which contains only Part 7, Accounting and Fiscal Procedures, will not be included in Volume V distribution in the Central Office unless it is specifically requested.

<sup>1</sup> Internal HHFA distribution of the Urban Renewal Manual, LPA Manual, and LPA Letters is handled on the same distribution list.

- (4) *Urban Renewal Manual; LPA Manual; LPA Letters.*—These are companions to Volume VII. Generally each person maintaining Volume VII should also maintain the Urban Renewal Manual, LPA Manual, and LPA Letter series.
- (5) *Regional Circulars and Staff Memorandums.*—Regional Circular and Staff Memorandum distribution is not segregated by subject. Generally, anyone maintaining any Manual material should also maintain the Regional Circular and Staff Memorandum series.

#### OUTSIDE DISTRIBUTION POLICY

Except for Volume I, the Urban Renewal Manual, and the LPA Manual, administrative releases will not ordinarily be distributed outside the Housing and Home Finance Agency. All requests for outside distribution, except for the LPA Manual, should be forwarded for action and reply to the Management Analysis and Procedures Branch, Division of Budget and Management.

Requests for the LPA Manual for the use of other than Regional employees should be forwarded for action and reply to the Urban Renewal Administration.

Outside requests for Volume I and the Urban Renewal Manual will be answered by the Management Analysis and Procedures Branch with the information that these Volumes are not available for free distribution, except to other Federal agencies having an interest in housing programs, but that they can be purchased on a subscription basis from the Superintendent of Documents, Washington 25, D. C.

#### REQUISITIONING PROCEDURE

Offices shall use Form H-174, *Requisition for Administrative Releases* (Exhibit A), for requesting changes in the distribution of administrative releases and for ordering separate copies of specific releases.

Form H-174 shall be sent direct to the Division of General Services, in duplicate. One copy will be returned to the requisitioning office when the order is filled.

The column headed *Bulk Distribution* will not be used by Central Office units.

The column headed *Direct Distribution to Central Office Addressees and Field Offices* will be used to request changes in distribution to individuals in the Central Office. All Central Office distribution is made on the basis of individual addressees.

The column headed *Request for Extra Copies of Specific Releases* will be used to order additional copies of individual releases for Central Office use or to replace shortages in the normal distribution.

Form H-174 is stocked by the Division of General Services (see Section 6-2).

EXHIBIT A

HOUSING AND HOME FINANCE AGENCY OFFICE OF THE ADMINISTRATOR  <b>REQUISITION FOR ADMINISTRATIVE RELEASES</b> (Submit in duplicate)					H-17A (4-59)  DIVISION OF GENERAL SERVICES USE ONLY		
1. Division of General Services, Office of the Administrator							
2. Ordered By:					DATE RECEIVED		DATE FILLED
					BACK ORDERED		
REQUISITIONING OFFICER (Signature and Title)				DATE		FILLED BY	
TYPE OF RELEASE	BULK DISTRIBUTION		DIRECT DISTRIBUTION TO CENTRAL OFFICE ADDRESSEES AND FIELD OFFICES			REQUEST FOR EXTRA COPIES OF SPECIFIC RELEASES	
	NUMBER OF COPIES NOW RECEIVED	NUMBER OF COPIES REQUESTED	NUMBER OF COPIES NOW RECEIVED	NUMBER OF COPIES REQUESTED	NAME AND ADDRESS TO BE USED ON ADDRESS PLATE	RELEASE NO. AND DATE	NUMBER OF COPIES REQUESTED
VOLUME I							
VOLUME II							
VOLUME III							
VOLUME IV							
VOLUME V BOOK I							
VOLUME V BOOK II							
VOLUME VI							
VOLUME VII							
LPA AND URBAN RENEWAL MANUALS; LPA LETTERS							
REGIONAL CIRCULARS							
STAFF MEMORANDUMS							
REMARKS:							

FH-100-Washington, D. C.

## Section 8

### MOTOR VEHICLE OPERATORS' IDENTIFICATION CARDS

This Section coordinates the requirements of this Agency with the Civil Service Commission regulations establishing motor vehicle operator qualification procedures.

#### DEFINITION OF OPERATOR

The word "operator" shall mean *regular* and *incidental* operators who are required to operate a motor vehicle in order to properly carry out assigned duties.

#### ISSUANCE OF IDENTIFICATION CARDS

The General Services Branch, Property Management Section, will maintain controls and issue a *U. S. Government Motor Vehicle Operator's Identification Card*, Standard Form 46 (Exhibit A) to each qualified employee whose duties require driving a Government-owned motor vehicle. The identification card will specifically include the following:

- (1) Each type of Government-owned motor vehicle authorized to be operated by the identification card holder.
- (2) Any restrictions imposed upon the holder.
- (3) Date of expiration (not to exceed three years beyond date of issue and renewable for the same period).

The operator shall have the identification card in his possession while driving a Government-owned vehicle.

#### Regular Operator

A regular operator must pass the Agency Road Test before assignment to such a position in the Agency. The Agency's Road Test Examiner will furnish the Personnel Branch with evidence that the employee or candidate meets the qualifying standards. The Personnel Branch will determine the necessity of a medical examination for physical fitness. Upon favorable action by the Director of Personnel or his designee, the test file will be forwarded to the Property Management Section, for the issuance of the Operator's Identification Card. After issuance of a card to either a regular or incidental operator, the test file will be returned to the Personnel Branch for retention in the employee's official personnel file.

#### Incidental Operator

An incidental operator shall make application for a Motor Vehicle Operator's Identification Card to the Director of the General Services Branch, attention Agency CSC Road Test Examiner. On the basis of information documented by the applicant on his past driving experience, the Agency Road Test Examiner will—

- (1) Waive the road test, when it is impractical to apply it or, if in his opinion, the competence of the employee has been established by his past driving record.
- (2) Require the employee to take a practical road test.

- (3) Reject the application on the basis of the employee's poor previous driving record.

The Road Test Examiner shall forward the necessary documentation to the Director of Personnel for determination of the physical fitness requirements. Upon establishment of physical fitness requirements, the file shall be forwarded to the Chief of the Property Management Section, General Services Branch, for issuance of the Motor Vehicle Operator's Identification Card.

#### **RENEWAL OF IDENTIFICATION CARDS**

Identification Cards shall be valid for not more than three years, and shall be renewable for additional periods of not more than three years to employees who meet the physical fitness requirements. It is the responsibility of the employee to make application for renewal sufficiently in advance of expiration date to permit the issuance of a new identification card.

#### **RETURN OF CARDS**

When the holder of a card is separated or reassigned to duties not requiring its use, when the card expires, or in event of revocation or nonrenewal of the employee's state operator's permit, the identification card shall be surrendered to the Property Management Section for cancellation.

EXHIBIT A

Front

<b>U. S. GOVERNMENT MOTOR VEHICLE OPERATOR'S IDENTIFICATION CARD</b>					CARD NO.	
NAME OF OPERATOR					DATE ISSUED	
					DATE EXPIRES	
SEX	DATE OF BIRTH	COLOR OF HAIR	COLOR OF EYES	HEIGHT	WEIGHT	
The holder of this card is qualified to operate U. S. Government vehicles and/or equipment specified, subject to the restrictions set forth on the reverse of this card.						
SIGNATURE OF ISSUING OFFICIAL				TITLE		
NAME AND LOCATION OF ISSUING UNIT						
<b>NOT TRANSFERABLE</b> Card must be carried at all times when operating Government vehicles.		SIGNATURE OF OPERATOR ( <i>Not valid until signed</i> )				
		TITLE OF POSITION				

Standard Form 46 (December 1955) USCSC—Chapter M-2 F, P. M. 16-72226-1

Reverse

RESTRICTIONS		
<b>QUALIFIED TO OPERATE</b>		
TYPE VEHICLE AND/OR EQUIPMENT	CAPACITY	QUALIFYING OFFICIAL
<b>OTHER RECORDS (OPTIONAL)</b>		

U. S. GOVERNMENT PRINTING OFFICE 16-72226-1

Main body of handwritten text, consisting of several paragraphs of cursive script.

Vertical handwritten text on the right side of the page, possibly a list or a column of data.

## Section 9

### MOTOR VEHICLE ACCIDENT REPORTS

This Section prescribes the procedure for reporting and investigating accidents involving motor vehicles being operated by employees in the performance of their official duties.

#### DEFINITIONS

As used in this procedure, *employee* means an employee of the OA, CFA, or URA operating a motor vehicle in the performance of his official duties.

*Vehicle* or *motor vehicle* means an Agency vehicle or a GSA motor pool system vehicle or a private motor vehicle authorized to be used for official purposes.

#### RESPONSIBILITIES OF EMPLOYEES

Employees are expected to familiarize themselves with these procedures so that they will know what their responsibilities are and what to do if a motor vehicle accident occurs. Failure of an employee to report an accident as required by this Section may be cause for suspension or revocation of the employee's authorization to operate a vehicle for official purposes.<sup>1</sup>

#### Making the Initial Report

When an accident occurs, the employee shall immediately notify in person or by telephone or telegram:

- (a) The Director, Division of General Services.
- (b) State, county, or municipal authorities, as required by law.
- (c) The chief of the GSA motor pool system assigning the vehicle, when a motor pool vehicle is involved.<sup>2</sup>
- (d) The rental contractor, when a privately owned vehicle rented by an employee in travel status is involved.

The notification shall include the time and place of the accident; the license numbers of the vehicles involved; the names of the persons involved; and the nature of the damage.

<sup>1</sup> Federal Personnel Manual, Chapter M-2, and GSA Reg. 1-V-309.00.

<sup>2</sup> GSA Reg. 1-V-309.00.

**Accident Report Forms**

A small supply of these forms shall be kept in the glove compartment of each motor vehicle:

Optional Form 26, *Data Bearing Upon Scope of Employment of Motor Vehicle Operator* (Exhibit A)

Standard Form 91, *Operator's Report of Motor Vehicle Accident* (Exhibit B)

Standard Form 94, *Statement of Witness* (Exhibit C)

Standard Form 95, *Claim for Damage or Injury* (Exhibit D)

Report forms shall be submitted in an original only. The additional copies required will be made in the Division of General Services.

**Further Actions by Employee**

At the time and at the scene of the accident, insofar as possible, the employee shall complete Optional Form 26 and Standard Form 91. The narrative report on Standard Form 91 describing what happened shall be in sufficient detail to give a clear picture of all events relating to the accident.

The employee shall obtain the name, address, and telephone number of each witness. If possible, the employee should have each witness complete Standard Form 94; if not possible, the employee should give each witness copies of Standard Form 94 and request the witnesses to complete and return the form promptly.

The employee shall obtain a copy of the local police investigation report.

He shall send the completed Optional Form 26, Standard Form 91, Standard Form(s) 94, and a copy of the police investigation report to the Director, Division of General Services.

If the employee is incapacitated and unable to make the required reports of the accident, his immediate supervisor shall see that the reports are made.

**Claims**

Persons requesting information about the procedure for making a claim against the Government for damages arising from a motor vehicle accident shall be given copies of Standard Form 95 and advised to send the completed form to the Housing and Home Finance Agency, Office of the Administrator, Washington 25, D. C.

**AGENCY INVESTIGATION AND REPORT**

The Director, Division of General Services, shall have each accident investigated. Standard Form 91A, *Investigation Report of Motor Vehicle Accident* (Exhibit E), shall be completed within 48 hours after the

accident if there is property damage of \$250 or more or bodily injury. The investigator shall include in a narrative report any pertinent facts developed which cannot be fully reported on Standard Form 91A.

If the accident involves a vehicle assigned from the GSA motor pool system, the Director shall comply with reporting requirements of the General Services Administration.<sup>1</sup> The General Services Administration may also investigate the accident.

Accidents and claims involving a motor vehicle on assignment from a GSA motor pool system will be settled either by the agency assigned the vehicle or by the General Services Administration, in accordance with GSA Regulation 1-V-309.00.

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<sup>1</sup> GSA Reg. 1-V-309.00.

EXHIBIT A

OPTIONAL FORM 88 MAY 1962 GSA CIRCULAR NO. 587 5026-101		<b>DATA BEARING UPON SCOPE OF EMPLOYMENT OF MOTOR VEHICLE OPERATOR</b>		
INSTRUCTIONS: This form is to be filled out by the operator at the time and at the scene of the accident, insofar as possible, and attached to the completed Standard Form 91, Operator's Report of Motor Vehicle Accident.				
OPERATOR'S	1. NAME		2. TITLE AND JOB CLASSIFICATION	
	3. AGENCY NAME AND BEGINNING DATE OF DUTY		4. ESTABLISHED WORKING HOURS	
	5. IMMEDIATE SUPERVISOR (Name)		6. SUPERVISOR'S TITLE	
VEHICLE OWNERSHIP	7. VEHICLE IS (Check one only)		8. IF BLOCK 7D, IS CHECKED, IS TITLE TO VEHICLE REGISTERED IN OPERATOR'S NAME?	
	<input type="checkbox"/> a. GOVERNMENT-OWNED <input type="checkbox"/> b. NOT GOVERNMENT-OWNED		<input type="checkbox"/> YES <input type="checkbox"/> NO If "NO" give details as to how vehicle is titled.	
	(Identification No.)      (License No.) 9. WAS THIS VEHICLE ASSIGNED TO OPERATOR BY A GSA MOTOR POOL? <input type="checkbox"/> YES <input type="checkbox"/> NO If "YES" give details and location of the GSA Motor Pool. If "NO" what activity assigned the vehicle?		10. HOW DID OPERATOR RECEIVE AUTHORITY FOR USE OF VEHICLE? <input type="checkbox"/> ORALLY <input type="checkbox"/> WRITTEN AUTHORITY Give details:	
DETAILS OF TRIP DURING WHICH ACCIDENT OCCURRED	11. ORIGIN		12. DESTINATION	
	13. EXACT PURPOSE OF TRIP		14. DATE AND TIME TRIP BEGAN	
			15. DATE AND TIME OF ACCIDENT	
	16. HOW DID OPERATOR RECEIVE AUTHORITY FOR TRIP?		17. WAS THERE ANY DEVIATION FROM DIRECT ROUTE?	
	<input type="checkbox"/> ORALLY <input type="checkbox"/> WRITTEN AUTHORITY Give details:		<input type="checkbox"/> YES <input type="checkbox"/> NO If "YES" explain in detail:	
	18. WAS TRIP MADE WITHIN ESTABLISHED WORKING HOURS?		19. DID OPERATOR WHILE ENROUTE ENGAGE IN ANY ACTIVITY OTHER THAN THAT FOR WHICH THIS TRIP WAS AUTHORIZED?	
<input type="checkbox"/> YES <input type="checkbox"/> NO If "NO" explain.		<input type="checkbox"/> YES <input type="checkbox"/> NO If "YES" explain:		
20. STATE BELOW FULL DETAILS OF THE AUTHORITY FOR, THE NATURE OF, AND CIRCUMSTANCES SURROUNDING THE TRIP NOT OTHERWISE COVERED ABOVE OR ON THE ACCOMPANYING SF-91.				
(Continue on reverse)				
OPERATOR'S	SIGNATURE	DATE		
The information contained herein is true and correct to the best of my knowledge and belief.				
SUPERVISOR'S	SIGNATURE	DATE		







EXHIBIT D

Standard Form 85  
 Revised February 1962  
 Bureau of the Budget  
 Circular A-5 (Rev.)

SUBMIT TO:

### CLAIM FOR DAMAGE OR INJURY

(Use additional sheets if necessary) 95-104

Use ink or typewriter. See reverse side for instructions and additional information required.

1. NAME OF CLAIMANT (Please print full name)		2. AGE	3. MARITAL STATUS	B. AMOUNT OF CLAIM	
4. ADDRESS OF CLAIMANT (Street, city, zone, State)				PROPERTY DAMAGE	\$
5. NAME AND ADDRESS OF SPOUSE, IF ANY				PERSONAL INJURY	\$
6. PLACE OF ACCIDENT (Give city or town and State; if outside city limits, indicate mileage or distance to nearest city or town)				TOTAL	\$
7. DATE AND DAY OF ACCIDENT		TIME (A.M. or P.M.)		9. DESCRIPTION OF ACCIDENT—STATE BELOW, IN DETAIL, ALL KNOWN FACTS AND CIRCUMSTANCES ATTENDING THE DAMAGE OR INJURY, IDENTIFYING PERSONS AND PROPERTY INVOLVED AND THE CAUSE THEREOF	
10. NAME OF OWNER, IF OTHER THAN CLAIMANT		PROPERTY DAMAGE		ADDRESS OF OWNER, IF OTHER THAN CLAIMANT	
BRIEFLY DESCRIBE KIND AND LOCATION OF PROPERTY AND NATURE AND EXTENT OF DAMAGE. SEE INSTRUCTIONS ON REVERSE SIDE FOR METHOD OF SUBSTANTIATING CLAIM					
11. STATE NATURE AND EXTENT OF INJURY WHICH FORMS THE BASIS OF THIS CLAIM				PERSONAL INJURY	
12. NAMES			WITNESSES		
ADDRESSES			ADDRESSES		
CRIMINAL PENALTY FOR PRESENTING FRAUDULENT CLAIM OR MAKING FALSE STATEMENTS Fine of not more than \$10,000 or imprisonment for not more than 5 years or both. (See 62 Stat. 698, 749; 18 U.S.C. 987, 1001.) <b>CIVIL PENALTY FOR PRESENTING FRAUDULENT CLAIM</b> The claimant shall forfeit and pay to the United States the sum of \$2,000, plus double the amount of damages sustained by the United States. (See R.S. 43490, 6438; 31 U.S.C. 831.)				13. I DECLARE UNDER THE PENALTIES OF PERJURY THAT THE AMOUNT OF THIS CLAIM COVERS ONLY DAMAGES AND INJURIES CAUSED BY THE ACCIDENT ABOVE DESCRIBED. I AGREE TO ACCEPT SAID AMOUNT IN FULL SATISFACTION AND FINAL SETTLEMENT OF THIS CLAIM. SIGNATURE OF CLAIMANT DATE OF CLAIM	

NOTE: Signature used above should be used in all future correspondence.

THIS FORM TO BE FILLED IN BY PERSON MAKING A CLAIM FOR DAMAGE OR INJURY

**EXHIBIT D (Page 2)**

**NOTICE TO CLAIMANT**

In order that your claim for damages may receive proper consideration you are requested to supply the information called for on both sides of this form. All material facts should be stated on this form, as it will be the basis of further action upon your claim. The instructions set forth below should be read carefully before the form is prepared.

**INSTRUCTIONS**

Claims for damage to or for loss or destruction of property, or for personal injury, must be signed by the owner of the property damaged or lost or the injured person. If, by reason of death, other disability or for reasons deemed satisfactory by the Government, the foregoing requirement cannot be fulfilled, the claim may be filed by a duly authorized agent or other legal representative, provided evidence satisfactory to the Government is submitted with said claim establishing authority to act.

If claimant intends to file claim for both personal injury and property damage, claim for both must be shown in item 8 on this form. Separate claims for personal injury and property damage are not acceptable.

The amount claimed should be substantiated by competent evidence as follows:

(a) In support of claim for personal injury or death the claimant should submit a written report by the attending physician, showing the nature and extent of injury, the nature and extent of treatment, the degree of permanent disability, if any, the prognosis, and the period of hospitalization or incapacitation, including

itemized bills for medical, hospital, or burial expenses actually incurred.

(b) In support of claims for damage to property which has been or can be economically repaired, the claimant should submit at least two itemized signed statements or estimates by reliable, disinterested concerns, or, if payment has been made, the itemized signed receipts evidencing payment.

(c) In support of claims for damage to property which is not economically repairable, or if the property is lost or destroyed, the claimant should submit statements as to the original value of the property, the date of purchase and the value of the property, both before and after the accident. Such statements should be by disinterested competent persons, preferably reputable dealers or officials familiar with the type of property and should be supported by two or more competitive bidders, and should be certified as being just and correct.

Any further instructions or information necessary in the preparation of your claim will be furnished, upon request, by the office indicated at the top of the other side of this form.

THIS CASE FILED FOR PROBATE PROCEEDINGS

**INSTRUCTIONS REGARDING INSURANCE COVERAGE**

In order that subrogation claims may be adjudicated, it is essential that the claimant provide the following information regarding the insurance coverage of his vehicle:

DO YOU CARRY COLLISION INSURANCE?	IF YES, GIVE NAME AND ADDRESS OF INSURANCE COMPANY AND POLICY NUMBER
<input type="checkbox"/> YES <input type="checkbox"/> NO	

HAVE YOU FILED CLAIM ON YOUR INSURANCE CARRIER IN THIS INSTANCE, AND IF SO, IS IT FULL COVERAGE OR DEDUCTIBLE?	IF DEDUCTIBLE, STATE AMOUNT

IF SUCH CLAIM HAS BEEN FILED, WHAT ACTION HAS YOUR INSURER TAKEN, OR WHAT ACTION DOES IT PROPOSE TO TAKE WITH REFERENCE TO YOUR CLAIM? (If it is necessary that you answer in these facts)

DO YOU CARRY PUBLIC LIABILITY AND PROPERTY DAMAGE COVERAGE?	IF YES, GIVE NAME OF INSURANCE CARRIER
<input type="checkbox"/> YES <input type="checkbox"/> NO	

SIGNATURE OF CLAIMANT \_\_\_\_\_







## Section 11

### DEFENSE OF CIVIL SUITS AGAINST EMPLOYEES ARISING OUT OF THEIR OPERATION OF MOTOR VEHICLES

#### LEGAL BASIS

Federal law<sup>1</sup> provides for the defense of a civil suit against a Federal employee or his estate arising out of his operation of any motor vehicle while acting within the scope of his Federal employment. The law applies only to civil actions and proceedings commenced as a result of incidents occurring on or after March 21, 1962.

#### DELIVERY OF PROCESS AND PLEADINGS

Any employee against whom a civil action or proceeding is brought for damage to property, or for personal injury or death, on account of the employee's operation of a motor vehicle in the scope of his employment (or his personal representative, if the action is brought against his estate) shall immediately deliver all process and pleadings served upon him, or an attested true copy thereof, through the Director, Division of General Services, to the General Counsel. In addition, on the day the employee receives such process or pleadings or any prior information regarding the commencement of such a civil action or proceeding, or in no event later than the day after receipt of such process or information, the employee shall advise the Director, Division of General Services, in person or by telephone or telegraph, and on the receipt date the Director shall advise the General Counsel.

The General Counsel is designated to receive such process and pleadings.<sup>1</sup> Promptly upon receipt of such papers, the General Counsel shall furnish the United States Attorney for the district embracing the place wherein the action or proceeding is brought and the Chief of the Torts Section, Civil Division, Department of Justice, information concerning the commencement of the action or proceeding, and copies of all process and pleadings.

#### AGENCY REPORT BEARING UPON SCOPE OF EMPLOYMENT

At the earliest possible date or within such time as shall be fixed by the United States Attorney upon request, and after receipt of the necessary report from the Director, Division of General Services, the General Counsel shall submit to the appropriate United States Attorney, with a copy to the Chief of the Torts Section, Civil Division, Department

<sup>1</sup> Public Law 87-258 (28 U.S.C. 2679). Implementing Department of Justice regulations are codified under 28 CFR Part 15 (Dept. of Justice Order No. 254-61, dated 11/24/61).

of Justice, the agency report containing all data bearing upon the question whether the employee was acting within the scope of his Federal employment at the time of the incident out of which the suit arose. The report should include factual information<sup>1</sup> bearing upon the nature of the employee's duties, his authorized destination, the conveyance authorized, whether he had departed from the route authorized or disobeyed the instructions given him, whether at the time of the incident he was engaged in the furtherance of his own personal interests, and any other relevant data.

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<sup>1</sup> Optional Form 26, *Data Bearing Upon Scope of Employment of Motor Vehicle Operator*, may be used for this purpose. Copies of the form were not available as of date of this printing.

7 AUDIT POLICIES  
AND PROCEDURES



## Section 1

### INVESTIGATION OF MATTERS REPORTED IN OA AUDITS

The Compliance Division in connection with its responsibilities for reviewing the Agency's inspection and audit facilities is not responsible for reviewing project or internal audit reports to determine whether any facts reported indicate the need for investigation. This Section is intended to clarify responsibility for requesting investigations of matters revealed in audit reports.

- (1) *Project Audits.* Regional Administrators are responsible for determining whether investigation is required with regard to matters covered in URA or CFA project audits, and for recommending to the appropriate constituent commissioner that the Commissioner request an investigation by the Compliance Division.
- (2) *Internal Audits of Regional Offices.* Constituent commissioners are responsible for determining whether investigation is required with regard to matters covered in internal audits of CFA and URA program activities in Regional Offices. The Assistant Administrator (Administration) is responsible for determining whether investigation is required with regard to matters covered in internal audits of administration activities in Regional Offices. Regional Administrators may also request the Compliance Division to investigate matters pointed out in internal audits of Regional Office program or administration operations.
- (3) *Internal Audits of Central Office.* The Deputy Administrator is responsible for calling to the attention of the Administrator any matters arising in internal audit reports of Central Office organization units on which the Administrator may wish to request investigation by the Compliance Division.

With regard to all project and internal audits, the Audit Division will, either during the course of an audit or during the review of the audit report, call to the attention of the Deputy Administrator, the appropriate constituent commissioner, the Assistant Administrator (Administration) or the Compliance Division, any matters which may require investigation; and the Deputy Administrator or constituent commissioner or Assistant Administrator (Administration) may, at his discretion, request an investigation by the Compliance Division. The Audit Division will not, however, finally determine the need for investigation nor request the Compliance Division directly to conduct investigations.

## **Section 1**

### **INTERNAL AUDIT OF CENTRAL OFFICE**

#### **AUDIT PROGRAM**

Internal audits of the Central Office operations and activities will be conducted by the Audit Division. The period audited will not necessarily be on a fiscal-year basis, nor will the period audited be the same for each area. For internal audit purposes, the activities of the Central Office will be segregated into three major areas:

- (1) Office of the Administrator—includes fiscal, budget, general services, personnel, and other administrative and servicing activities, as well as matters of a general management nature or operating activities not falling within the scope of the constituent units. The operating activities handled by the Office of the Administrator include:
  - (a) Low-Income Housing Demonstration Grant Program
  - (b) Mass Transportation Demonstration Grant Program
  - (c) Mass Transportation Loan Program
  - (d) Urban Studies and Housing Research Program
  - (e) Defense Planning Activities Program
  - (g) Community Disposition Program.
- (2) Urban Renewal Administration—includes all programs and activities assigned this constituent unit for overall management and execution.
- (3) Community Facilities Administration—includes all programs and activities assigned this constituent unit for overall management and execution.

The scope of audit for each of these three areas is described below.

Each of these areas will be audited and reported upon separately. The annual audit of an area may cover only certain phases or segments of the operations and activities of the area at any one time within the applicable scope of audit and reports will be made accordingly.

Special audits may be made from time to time, ordinarily upon instructions from the Deputy Administrator, and may be limited to coverage of a particular phase or segment of the administrative or program operations of the Office of the Administrator or any one of the constituent units. Requests by commissioners of constituent units or

the Assistant Administrator (Administration) for special audits shall be submitted to the Director, Audit Division, with a statement as to the purpose and justification for the audit.

#### **PURPOSE**

Internal audits are made for the purpose of determining and reporting to the Administrator, the commissioners of constituent units, and other responsible management officials the status of operations and activities and their conformance with applicable laws, regulations, delegations of authority, and prescribed policies and procedures, and whether systems of internal control are adequate and effective.

#### **SCOPE**

The scope of audit, which will be on a comprehensive basis and subject to the review of the Deputy Administrator, will vary from time to time depending upon current circumstances and conditions. The various division and branch heads of the Office of the Administrator and the constituent units will be contacted before commencing the audit of the activities applicable to them, for the purpose of discussing the general scope of the audit and, upon completion of the audit, for the purpose of discussing the audit findings. If, during the course of an audit, or through other sources of reliable information, the existence of irregularities in the handling of funds or property, or other serious noncompliance on the part of personnel are found, the Director, Audit Division, will be immediately informed of the facts in the matter by the Auditor-in-Charge, and he in turn will advise the Deputy Administrator, Assistant Administrator (Administration) the Constituent Commissioner and the Compliance Division as appropriate.

In all areas, the audits will include: a review of assignments of staff responsibilities and conformance with approved organizational patterns, policies and procedures for informing staff members of their assigned duties, reasonableness of staffing as compared with workload requirements, the effect of working conditions on morale and efficiency, delegations and redelegations of authority, internal control systems, and performance under the prescribed policies and procedures, and an analysis of reports and other documentation to determine their distribution and use; a review of practices followed in the handling of inquiries and reports of other Government agencies; a determination that OA policies and procedures are adhered to with respect to personnel matters; and a review of the control and utilization of audit reports.

More specifically, by area, the scope of the audit will include the following:

#### **OFFICE OF THE ADMINISTRATOR—OFFICE OF ADMINISTRATION**

##### **Division of Budget and Management**

Determinations that: laws, regulations and procedures governing

the administrative control of appropriations and funds are being followed; statutory limitations on administrative expenses and Bureau of the Budget report requirements are being observed; allotments are issued according to prescribed procedures; expenses are being distributed to programs and activities in accordance with acceptable methods and that the procedures are reduced to writing; adequate reviews are made to insure against deviations from authorized organizational patterns; an official file of delegations, redelegations and revocations of authority is being maintained; inter-agency agreements are entered into where required, the terms of such agreements are being followed, and copies of these agreements are distributed to the offices affected; and the practices followed with respect to budgetary control are reviewed from time to time for effectiveness.

#### **Division of Finance and Accounts**

Determinations that: the books of account, supporting records and documents are accurate and adequate; obligations and expenditures do not exceed allotments; funds allotted are obligated only under the terms of allotment documents and in accordance with applicable laws and regulations; expenses are being distributed to funds and programs equitably, accounting techniques, the disbursement of funds, handling of receipts, and the safeguarding of assets for all programs are in accordance with applicable regulations, prescribed procedures and good accounting practices; controls are being exercised over the programs in liquidation status; and accounting and statistical reports are prepared from the official records and accurately present the financial status of each operation.

#### **Division of General Services**

Determinations whether regulations and administrative policies and procedures are followed with respect to: travel and transportation; control of incoming mail; postage; requisition and procurement of supplies, equipment and services; Government-owned vehicles; administrative property management; disposition of noncurrent records; and a review of methods employed in controlling, printing and reproduction, library books and credentials.

#### **Division of Personnel**

An examination of records and other data to determine that the administrative practices and procedures prescribed by the Office of the Administrator are followed with respect to recruitment, classification, transfer, promotion, termination, leave, retirement of personnel and the maintenance of prescribed records.

#### **OFFICE OF THE ADMINISTRATOR—COMMUNITY DISPOSITION STAFF (AEC PROPERTIES)**

Determinations that: the general administration of the program and the policies and procedures established are in accordance with the

powers, functions and duties transferred to the Administrator by Executive Order 10657, dated February 16, 1956, and as delegated by him, written instructions and procedures are being promptly prepared and issued when required; and that necessary coordination exists between the Central Office staff and the field personnel.

#### **URBAN RENEWAL ADMINISTRATION**

A review of the practices followed by each organizational unit of the Administration as they relate to the management and operation of the following programs:

- (1) Slum Clearance Program under Title I of the Housing Act of 1949, as amended prior to the Housing Act of 1954 (Old Act).
- (2) Urban Renewal Program under Title I of the Housing Act of 1949, as amended by the Housing Act of 1954 and subsequent acts (New Act).
  - (a) General Neighborhood Renewal Program
  - (b) Feasibility Surveys
  - (c) Community Renewal Program
- (3) Urban Planning Assistance Program
- (4) Demonstration Grant Program
- (5) Open Space Land Program

Included will be determinations as to: adherence to established policies and procedures; establishment and currency of internal written procedures; the promptness in preparing and issuing policy and procedural instructions and revisions thereof affecting program operations; the timing with respect to the flow of applications and other documents for required technical review and approval; the timeliness of report issuances; and the adequacy and effectiveness of coordination between the various organizational units at well as between the Central Office and the field.

#### **COMMUNITY FACILITIES ADMINISTRATION**

A review of the practices followed by each organizational unit of the Administration as they relate to the management and operations of the following programs:

##### Active Programs

- College Housing
- Public Facility Loans
- Advances for Public Works Planning
- School Construction
  - Federal
  - Non-Federal
- Senior Citizens Housing Loans
- Area Redevelopment

Programs in Liquidation

- First and Second Advance Planning
- Defense Community Facilities
- Lanham Act
- Pre-Fabricated Housing
- Alaska Housing
- RFC Public Agency Loans

Included will be determinations as to: adherence to established policies and procedures; establishment and currency of internal written procedures; the promptness in preparing and issuing policy and procedural instructions and revisions thereof affecting program operations; the timing with respect to the flow of applications and other documents for required technical review and approvals; the disposition of uncollectible receivables; the custody, protection, maintenance and disposition of Federal property and acquired securities and collateral; timeliness of report issuances; and the adequacy and effectiveness or coordination between the various organizational units as well as between the Central Office and the field.

**DISTRIBUTION OF AUDIT REPORTS—Central Office Audits**

Reports shall be addressed to the Assistant Administrator (Administration), Director, Community Disposition Staff, or Constituent Commissioner, as appropriate, and distributed as follows:

**Audits of the Office of the Administrator—Office of Administration**

- (1) Copy to the Administrator
- (2) Copy to the Deputy Administrator
- (3) Six copies to the Assistant Administrator (Administration) for redistribution to Division heads as desired.
- (4) Copy to the Auditor-in-Charge, General Accounting Office
- (5) Copy to the Director, Compliance Division
- (6) Copy to the Audit Division file

**Audits of the Office of the Administrator—Community Disposition Staff**

- (1) Copy to the Administrator
- (2) Copy to the Deputy Administrator
- (3) Two copies to the Director, Community Disposition Staff
- (4) Two copies to the Assistant Administrator (Administration)
- (5) Copy to the Auditor-in-Charge, General Accounting Office
- (6) Copy to the Director, Compliance Division
- (7) Copy to the Director, Division of Finance and Accounts
- (8) Copy to the Audit Division file

**Audits of Urban Renewal Administration**

- (1) Copy to the Administrator
- (2) Copy to the Deputy Administrator
- (3) Ten copies to the Urban Renewal Commissioner
- (4) Two copies to the Assistant Administrator (Administration)
- (5) Copy to the Auditor-in-Charge, General Accounting Office
- (6) Copy to the Director, Compliance Division
- (7) Copy to the Audit Division file

**Audits of Community Facilities Administration**

- (1) Copy to the Administrator
- (2) Copy to the Deputy Administrator
- (3) Ten copies to the Community Facilities Commissioner
- (4) Two copies to the Assistant Administrator (Administration)
- (5) Copy to the Auditor-in-Charge, General Accounting Office
- (6) Copy to the Director, Compliance Division
- (7) Copy to the Audit Division file

Reports on special and other audits will be distributed in accordance with instructions from the Deputy Administrator.

**CLEARANCE OF AUDIT REPORTS**

Each audit report will include a summary listing of items requiring action. The heads of constituent units and the division heads of the Office of the Administrator shall report on each item applicable to their operations requiring action within 60 days (from the date of the report letter of transmittal). Such reports shall be in memorandum form, addressed to the Deputy Administrator, Attention: Director, Audit Division, in an original and two copies. The memorandum shall be specific as to action taken or to be taken, the date by which the action will be completed and, if any item is rejected, a full explanation of the reasons for rejection with recommendation for the disposition of the matter. In cases where the corrective action on an item is in progress, a further report shall be submitted when the action has been completed.

In those cases where the initial reply of the Assistant Administrator (Administration), the Director, Community Disposition Staff, or the appropriate Constituent Commissioner establishes specific dates for completion of action on open items, such dates shall become action completion dates unless the Director, Audit Division, questions the length of the period involved in which case the matter will be referred to the Deputy Administrator for decision. If the report of completion

is not received by the dates thus established, the Director, Audit Division, will follow up on the matter as of the close of the allowed period.

When replies on audit findings are satisfactory, the Audit Division will take the necessary steps to close the audit file and will notify the appropriate officials accordingly. If replies are not received on audit findings within the prescribed period, the Director, Audit Division, will prepare and forward appropriate follow-up letters. If replies are not received within 30 days of the follow up by the Audit Division, the Audit Division will prepare follow-up letters for the signature of the Deputy Administrator.

Whenever a question arises as to the propriety of an audit finding, or what action should be taken on a finding, the Deputy Administrator will resolve the matter and inform the appropriate officials accordingly.

## **Section 2**

### **INTERNAL AUDIT OF REGIONAL OFFICES**

#### **AUDIT PROGRAM**

Internal audits of the HHFA Regional Office operations and activities will be conducted by the Audit Division. The period audited will not necessarily be on a fiscal-year basis, nor will the period audited be the same for each Regional Office.

For internal audit purposes, the activities of Regional Offices will be segregated into three major areas:

- (1) General administration, including fiscal, budget, general services, personnel, and other administrative activities, as well as matters of a general nature not falling within the scope of the Urban Renewal or Community Facilities areas;
- (2) Urban Renewal, including all programs and activities assigned the Urban Renewal Administration for overall administration;
- (3) Community Facilities, including all programs and activities assigned the Community Facilities Administration for overall administration.

The scope of audit of each of these three areas is described below. Each of these areas will be audited and reported upon separately, except for the Puerto Rico Regional Office for which a single report for all activities will be issued. Audits of these areas in a single Regional Office may be conducted concurrently, consecutively or at different intervals and for different periods, except in the Puerto Rico Regional Office.

The annual audit of an area may cover only certain phases or segments of the operations and activities of the area at any one time within the applicable scope of audit, and reports will be made accordingly.

#### **PURPOSE OF AUDIT**

Internal audits of Regional Offices will be made for the purpose of informing the Administrator, the appropriate Constituent Commissioner, Regional Administrators, and other responsible officials as to whether the administration of Regional programs and activities reflects compliance with applicable laws, regulations, delegations of authority, and policies and procedures, and whether systems of internal control are adequate and effective.

**SCOPE**

In carrying out the audit purpose set forth above, audits will encompass an examination of the following Regional Office operations:

**Administration****Fiscal**

An examination of the accounting records, basic supporting documentation and other data to determine that program and administrative financial transactions are evidenced by correct and properly authorized documentation and are correctly shown in the accounts; funds allotted are obligated only under the terms of allotment documents and that obligations and expenditures do not exceed allotments; accounting techniques, the disbursement of funds, distribution of expenses to programs, and the handling of collections are in accordance with regulations and acceptable accounting standards, applicable laws and regulations involving leave, payrolls, unemployment compensation and other administrative procedures are followed, financial controls are exercised over programs in liquidation status to assure prompt follow up for the collection of receivables; accounting and statistical reports are prepared from the accounting records and are correct; and that adequate control and coordination exist with respect to audit findings so that collections or adjustments of payments or other actions are properly and promptly effected.

**General Services**

An examination of records and other data to determine that prescribed procedures, applicable laws, regulations, and administrative policies are being followed with respect to travel and transportation; toll calls; control of the incoming mail; noneurrent records; procurement of supplies, equipment and services; personal property management; administrative real property management; use of government-owned vehicles; and to determine that the methods employed for controlling and safeguarding custody documents, assets and other valuable items are effective.

**Budget**

An examination of records and other data to determine that the procedures prescribed for the development of Regional Office budgets are followed.

**Personnel**

An examination of records and other data to determine that the procedures prescribed by the Central Office are followed with respect to recruitment, classification, transfer, promotion, termination, leave practices, and retirement of personnel and the maintenance of prescribed records.

**Comments for Administrative Considerations**

To the extent that facts and observations on the following matters are noted during the course of the audit, the auditor will also comment as to whether:

- (1) Assignments of responsibilities of Regional Office staff conform to established organization patterns.
- (2) Staff members are currently and adequately informed of policies and procedures concerning their assigned duties.
- (3) Staffing requirements appear to be reasonably in line with work-load requirements.
- (4) Working conditions promote high morale and efficiency.
- (5) Activities are being performed in an efficient manner.

**Urban Renewal**

Internal Audits of Urban Renewal activities will include an examination of Regional Office operations with respect to the following programs:

- (1) The Slum Clearance Program under Title I of the Housing Act of 1949, as amended prior to the Housing Act of 1954 (Old Act).
- (2) The Urban Renewal Program under Title I of the Housing Act of 1949, as amended by the Housing Act of 1954 and subsequent amendments (New Act).
  - (a) General Neighborhood Renewal Program
  - (b) Feasibility Surveys
  - (c) Community Renewal Program
- (3) The Urban Planning Assistance Program

With respect to each of these programs, the internal audit will include an examination (to the extent applicable for the specific program) of data and records reflecting Regional Office practices with respect to all matters which establish or underlie financial obligations and transactions; including the processing of: project reservations, project applications, budgets; allocation of funds, and contracts for financial assistance, insurance and bonding coverages; third-party contracts; land acquisition and disposition documents; relocation activities; site preparation; property management, project financing; project audit reports; termination and completion of projects; and related reports and operations.

**Community Facilities**

Internal audits of Community Facilities activities will include an examination of Regional Office operations with respect to the following programs:

- Active Programs
- College Housing

- Public Facility Loans
- Senior Citizens Housing Loans
- Area Redevelopment
- Advances for Public Works Planning
- School Construction
  - Federal
  - Non-Federal

- Programs in Liquidation
  - First and Second Advance Planning
  - Defense Community Facilities
  - Lanham Act

With respect to each of these programs, the internal audit will include an examination (to the extent applicable for the specific program) of data and records reflecting Regional Office practices with respect to all matters which establish or underlie financial obligations and transactions, including: the processing of applications and loan agreements, supervision of activities financed under contracts for Federal assistance, including preconstruction and construction activities; bond purchases, project completion; collection of receivables; disposition of uncollectible receivables; custody, protection, maintenance and disposition of Federal property and of acquired securities and collateral, and action on project audit reports.

#### **ASSIGNMENT OF AUDIT RESPONSIBILITY**

The responsibility for the scheduling and conduct of all internal audits of HHFA Regional Offices is assigned to the Audit Division.

#### **SCHEDULING OF AUDITS**

Each audit area of the Regional Office will be audited within twelve months after completion of the preceding audit.

Special audits will be made when specifically requested by the Administrator, Regional Administrator, Constituent Commissioner, or the Assistant Administrator (Administration). Requests for special audits should be submitted to the Director, Audit Division. Special audits will be started as soon as possible after receipt of the request.

#### **REGIONAL CONTACTS**

The auditor will contact the Regional Administrator before commencing the audit and discuss the general scope of the audit.

Upon completion of the audit, the auditor will discuss the audit findings with the Regional Administrator. This discussion will be confined to the findings and such comments as the auditor finds are necessary to make in order to substantiate them. The auditor is not authorized to make special recommendations to Regional Administrators for changes or improvements in prescribed policies or procedures prior to formal clearance with the Central Office.

The findings in the report will be reviewed in the Audit Division and the report transmitted as provided hereinafter.

**REPORTS**

Reports will be addressed to Regional Administrators and will be prepared and distributed as follows:

**General Administration**

- (1) One copy to the Administrator
- (2) One copy to the Deputy Administrator
- (3) Two copies to the Regional Administrator
- (4) Five copies to the Assistant Administrator (Administration) for redistribution to Division heads as desired.
- (5) One copy to the Auditor-in-Charge, General Accounting Office
- (6) One copy to the Director, Compliance Division
- (7) One copy to the Audit Division file

**Urban Renewal**

- (1) One copy to the Administrator
- (2) One copy to the Deputy Administrator
- (3) Two copies to the Regional Administrator
- (4) Five copies to the Urban Renewal Commissioner
- (5) Two copies to the Assistant Administrator (Administration)
- (6) One copy to the Auditor-in-Charge, General Accounting Office
- (7) One copy to the Director, Compliance Division
- (8) One copy to the Audit Division file

**Community Facilities**

- (1) One copy to the Administrator
- (2) One copy to the Deputy Administrator
- (3) Two copies to the Regional Administrator
- (4) Five copies to the Community Facilities Commissioner
- (5) Two copies to the Assistant Administrator (Administration)
- (6) One copy to the Auditor-in-Charge, General Accounting Office
- (7) One copy to the Director, Compliance Division
- (8) One copy to the Audit Division file

If during the course of the audit or through other sources of information the auditor ascertains the existence of irregularities in the

handling of cash, property or other serious noncompliance on the part of Regional personnel, he will immediately prepare and submit a special report to the Director, Audit Division.

#### **FOLLOW UP ON AUDIT REPORTS**

All audit reports shall include a recapitulation of findings requiring action segregated between those items requiring action by the Regional Office and those for the consideration of Central Office officials. However, it should be noted that the comments, exceptions and recommendations in audit reports are not directives to take specific actions without further considerations.

#### **Regional Office Action**

With respect to items requiring Regional Office action, the Regional Administrator may either:

- (1) Accept the audit findings and take the action(s) necessary to carry out the recommendations, or
- (2) Reject the audit findings with a full explanation of his reasons for rejection, and with recommendations to the Central Office for disposition of the rejected item(s).

The Regional Administrator shall report in memorandum form within 60 days on each item listed as requiring Regional Office action. The original of the memorandum shall be addressed to the Deputy Administrator, Attention: Director, Audit Division, and a copy shall be forwarded to the Assistant Administrator (Administration or the Constituent Commissioner involved as appropriate.

In reporting actions taken or to be taken, specific information must be given as to the nature of the action, the date by which action will be completed, the content of the administrative determination, if any, and the reasons for making it. Regional recommendations which require Central Office approval should be included in the same reply. Each such recommendation should be related to a specific item in the audit report and should be supported by a statement of the facts and circumstances which led to the recommendation. No attempt shall be made to put such recommendations into force until they are approved by the Central Office.

Items cited in the audit report which require only Central Office action will not require comment by the Regional Administrator except on specific request. However, in any case where the Regional Administrator wishes to comment on such items, he may do so. Such comments, together with the reasons for making them, should be prepared in memorandum form and addressed and forwarded as provided under this caption above.

#### **Central Office Action**

With respect to each item cited as requiring Central Office action,

the Assistant Administrator (Administration) or the appropriate Constituent Commissioner shall act within 60 days either to correct the condition cited or to determine administratively, for specific reasons, that corrective action is not required. The action taken shall be reported in memorandum form, the original addressed to the Deputy Administrator, Attention: Director, Audit Division, with a copy to the Regional Administrator involved. Reports must be specific as to the action taken or to be taken, the date by which action will be completed, and the content of any administrative determination made and the reasons for making them. In cases where the action is not yet completed, a further report shall be made when the action is completed.

#### **FOLLOW UP BY AUDIT DIVISION**

The Audit Division will initially review the file within two months after the original distribution of the report and will prepare follow-up letters to the appropriate Regional Office and Central Office officials, listing each item on which notice of action has not been received. If replies are not received within 30 days or within the time specified in the initial follow up by the Audit Division, the Audit Division will prepare follow-up letters for the signature of the Deputy Administrator.

In those cases where the initial reply of the Regional Administrator, Constituent Commissioner or Assistant Administrator (Administration) establishes specific dates for completion of action on open items, such dates shall become action completion dates unless the Director, Audit Division, questions the length of the period involved, in which case the matter will be referred to the Deputy Administrator for decision. If action is not completed by the dates thus established, the follow up by the Director, Audit Division, will be as at the close of the allowed period.

#### **CLOSING AUDIT FILE**

When all items in the audit report have been cleared by corrective action of administrative determination, the Audit Division will so advise the Regional Administrator by memorandum, and the file will be closed.

Copies of this memorandum will be sent to the Deputy Administrator, the appropriate Commissioner, and such other Central Office officials as are directly involved in matters covered by the audit report.

## Section 2

### ACCOUNTING ASSISTANCE TO LOCAL PUBLIC AGENCIES

This Section contains policies and procedures covering the provision of field accounting assistance to local public agencies by the Audit Branch, Division of Administration as required by Section 2-1-9 of Volume II.

#### PURPOSE

Accounting contacts are made for the following purposes:

- (1) To determine that accounting requirements (outlined in Part 5 of the Local Public Agency Manual) are being complied with and to answer any question raised by the local public agency relating thereto.
- (2) To assure that the records being maintained will promote expeditious audit of costs incurred.
- (3) To evaluate audit workload and recommend approximate date the initial audit should be undertaken.

#### TIMING

The initial accounting contact will generally be made within 60 days after the first advance of funds under the first advance contract.

#### SCOPE

The major points to be covered at the time of the accounting contact are generally as follows:

- (1) Discuss the details of the accounting system prescribed in Part 5 of the Local Public Agency Manual.
- (2) Determine whether funds have been deposited in a separate bank account as required by the contract.
- (3) Review books of account and supporting documents.
- (4) Generally review the internal controls established for protection in the receipt, deposit and disbursement of funds (particularly Federal funds), procurement of property, execution of local contracts, etc.
- (5) Review the local public agency procedures prescribed in order to assure propriety of expenditures for salaries, travel, etc.
- (6) Review file of executed contracts and contract record cards.

#### REPORTS

Accounting contact reports will be typed in an original and four copies with an analytical summary addressed to the appropriate

Regional Administrator and will be distributed as follows:

- (1) Original and one copy to the Regional Administrator.
- (2) One copy to the Urban Renewal Commissioner, attention of the Executive Officer.
- (3) One copy through the Assistant Administrator (Administration) to the OA Fiscal Officer.
- (4) One copy to the Audit Branch file.

#### WORKING FILE

The Regional Office will provide the Audit Branch with copies of the following:

- (1) Letters or memoranda approving or disapproving specific project costs, or otherwise affecting proposed or approved costs or the terms and conditions of contracts, budgets, or prior approvals. For example:
  - (a) Approvals, concurrences or disapprovals of proposed or executed third-party contracts (including Forms H-683 and H-684).
  - (b) Concurrence in land acquisition or disposition prices.
  - (c) Accepted valuations of local grants-in-aid.
- (2) Letters notifying local public agencies of allocations of funds.
- (3) Letters to proceed and other prior approval authorizations.
- (4) Approved original or revised budgets (Form H-627 or H-628 and letters of transmittal.
- (5) Copies of Standard Forms 1096 and 1166 covering payments to and collections from local public agencies.
- (6) Approved certificates of purposes.
- (7) Letters or memoranda with respect to suspension, termination, or abandonment of projects.
- (8) Executed contracts for financial assistance, and pertinent statements of continued obligation and waivers. (A conformed copy of Part I of each contract shall be furnished, together with a copy of Part II of the contract if any of its provisions differ from standard terms and conditions.)
- (9) Letters of approval or disapproval of insurance or fidelity bonds.

The Urban Renewal Administration shall provide the Audit Branch with copies of the following:

- (1) Letters advising of approval of temporary loan private financing.
- (2) Letters advising of the suspension or termination of projects.

**FOLLOW-UP ON ACCOUNTING CONTACT REPORTS**

Regional Offices are responsible for making determinations, within 20 working days after receipt of an accounting contact report in the Regional Office, as to the administrative action to be taken with respect to the findings contained in the report. Such determinations are subject to review and concurrence by the Executive Officer, Urban Renewal Administration. In the usual case, the Audit Branch should receive evidence of corrective action within 60 days after receipt of the accounting contact report by the Regional Office. Such evidence will consist of a copy of the Regional Office memorandum, bearing indication of the Executive Officer's concurrence, and copies of correspondence between the Regional Office and the local public agency indicating that the required action has been taken or that a definite date for the taking of such action has been set.

The Regional Office will see that the Audit Branch is furnished with a copy of:

- (1) Each letter dispatched to a local public agency containing inquiries, instructions, or determinations respecting a finding in an accounting contact report.
- (2) Each memorandum to the Executive Officer, Urban Renewal Administration recommending determination or action with respect to such findings which has been concurred in by the Executive Officer.
- (3) Each subsequent letter to and from the local public agency concerning any such finding.
- (4) Copies of the monthly report on the status of review and corrective action on audit and accounting inspection reports.

### **Section 3**

## **SLUM CLEARANCE AND URBAN RENEWAL PROGRAM**

This Section contains policies and procedures covering the conduct of audits under the slum clearance and urban redevelopment program and urban renewal program.

### **FIELD COORDINATION**

Field personnel of the Regional Offices and the Supervisory Auditors and auditors are equally and jointly responsible for maintaining an effective working relationship both during the course of an audit and in interpreting the findings of the completed report which require action, so that the Regional Offices may take whatever steps are necessary to protect the interests of the Federal Government.

### **ASSIGNMENT OF AUDIT RESPONSIBILITY**

All audits to be conducted of accounts and records maintained for projects managed and directed by local public agencies will be scheduled by the OA Audit Branch.

Audits of local public agencies not conducting low-rent housing programs will be conducted by the OA Audit Branch. Through inter-agency agreement, the audit of the accounts and records maintained for projects managed and directed by local housing authorities will be conducted, where possible, by auditors of the Public Housing Administration at the same time they conduct the audits of these agencies required by their own regulations. However, the Supervisory Auditors in charge of audit areas of the OA Audit Branch shall be responsible for maintaining coordination with the PHA auditors in the area in giving guidance and general technical supervision in the interpretation of the audit requirements of the Office of the Administrator and the preparations of the audit reports.

The assignment of audits to be conducted by PHA auditors shall be made from the OA Audit Branch directly to the Audit Branch, Public Housing Administration, with notice being sent to the OA Supervisory Auditor in charge of the audit area.

### **PURPOSE**

Audits are conducted for the purpose of assuring the Administrator that the local public agencies are administering their Title I projects in accordance with the terms and conditions of the pertinent contracts or prior approval authorizations and with the accounting systems prescribed in Part 5 of the LPA Manual, and to make available, to the personnel of the Regional Offices and the Urban Renewal Administration, reports on project costs incurred and LPA activities.

**SCOPE**

The scope of scheduled audits will generally include the following :

- (1) Review and determination of the degree of compliance with the terms and conditions of the prior approval authorizations, contracts, and pertinent regulations and procedures of the Housing and Home Finance Agency.
- (2) Review and determination of the degree of compliance with the LPA regulations and procedures and the resolutions of its governing board.
- (3) Evaluation of the internal controls established for the management of the program and for maintaining integrity in the receipt and disbursement of funds from all sources, particularly as they pertain to funds provided under the Federal advance, grant, or loan contracts. This will apply also to any personal property that may have been procured with Federal funds provided for the project.
- (4) Verification of the eligibility of expenditures as recorded, including a review of the basis for proration of joint expenses between two or more projects and/or programs administered by the local public agency.
- (5) Examination to determine the degree of compliance with the accounting requirements set forth in Part 5 of the LPA Manual, the accuracy and condition of the records, and the adequacy of the accounting staff.

The scope of the audit for a specific project will be determined at the time the audit is undertaken and as it progresses. The scope of a special audit will be determined by the purpose for which it is being conducted.

**TIMING**

The timing of audits to be conducted will be generally as follows, subject to variations due to lack of available personnel or requests for rescheduling for operating purposes by the HHFA Regional Offices or the Urban Renewal Administration.

**Initial Audit**

The first formal audit will ordinarily be made within from three to four months after the preliminary accounting contact has been made.

**Annual Audits**

As a general policy, all locations having approved projects will be audited once each year dating from the close of the period covered by the first formal audit. However, the period audited may be shortened or extended in those cases where it is advisable to level off the audit workload and, in the case of large projects in the development stage, audits may be scheduled semi-annually.

**Special Audits**

Special audits, for other than normal operating purposes, to be made at the request of the Urban Renewal Commissioner, Regional Admin-

istrator, or the Immediate Office of the Administrator, will be scheduled to start within thirty days after receipt of the formal request.

#### Final Audits

Final audits on completed, abandoned or discontinued projects will be scheduled to begin within thirty days after the Audit Branch receives from the Regional Office a request for a final audit in connection with the completion or termination of a project.

#### REPORTS

While audits will be made essentially on the basis of the individual contracts, audit reports will be submitted on a project basis and will include audits of all contracts identified with the pertinent project.

All projects of a local public agency, whenever possible, will be audited at the same time. In such case an audit report will be prepared for each project, however, the overall management and administrative activities of the local public agency may be covered in only one report, which may be either the report for the major project or a separate general management report.

Audit reports will be typed in an original and three copies, with an analytical statement prepared for the signature of the Director, Audit Branch. Distribution will be as follows:

- (1) Original and one copy to the Regional Administrator.
- (2) One copy to the Urban Renewal Commissioner, attention: Director, Administrative Management Branch.
- (3) One copy to the Audit Branch.

Where the report covers the audit of the management and administration of the program, an extra copy shall be prepared and transmitted for the information of the Assistant Administrator (Administration).

For reports on Puerto Rico, the distribution is the same as above except that the original will be forwarded to the Area Director, and the copy to the OA Fiscal Officer.

#### WORKING FILE

The Regional Office shall provide the Audit Branch with copies of the following:

- (1) Letters or memorandums approving or disapproving specific project costs, or otherwise affecting proposed or approved costs on the terms and conditions of contracts, budgets, or prior approvals. For example:
  - (a) Approvals, concurrences, or disapprovals of proposed or executed third-party contracts (including Forms H-683 and H-684).
  - (b) Concurrence in land acquisition or disposition prices.
  - (c) Accepted valuations of local grants-in-aid.
- (2) Letters notifying local public agencies of allocations of funds.
- (3) Letters to proceed, letters of consent, and other prior approval authorizations.

- (4) Approved original or revised budgets (Forms H-627 or H-6200) and letters of transmittal, and authorizations to overobligate budget classifications (Form H-6050).
- (5) Standard Forms 1096 and 1166 covering payments to and collections from local public agencies.
- (6) Letters or memorandums with respect to suspension, termination, or abandonment of projects.
- (7) Executed contracts for financial assistance, and pertinent statements of continued obligation and waivers. (A conformed copy of Part I of each contract shall be furnished, together with a copy of Part II of the contract if any of its provisions differ from standard terms and conditions.)
- (8) Letters of approval or disapproval of insurance or fidelity bonds.

#### **FOLLOW-UP ON AUDIT REPORTS**

Regional Offices are responsible for making determinations, within 30 working days after receipt of an audit report in the Regional Office (or, where additional information has been requested from the local public agency, within 20 working days after such additional information has been received), as to the administrative action to be taken with respect to the findings contained in the report. In the usual case, the Audit Branch should receive evidence of corrective action within 60 days after receipt of the audit report by the Regional Office. Such evidence will consist of a copy of the Regional Office memorandum and copies of correspondence between the Regional Office and the local public agency indicating that the required action has been taken or that a definite date for the taking of such action has been set.

The Regional Office will see that the Audit Branch is furnished with a copy of:

- (1) Each letter dispatched to a local public agency containing inquiries, instructions, or determinations respecting a finding in an audit report.
- (2) Each memorandum from the Regional Director of Urban Renewal recommending determination or action with respect to such findings, which has been concurred in by the Regional Administrator.
- (3) Each subsequent letter to and from the local public agency concerning any such finding.
- (4) The monthly report on the status of review and corrective action on audit and accounting inspection reports (see Volume VII, Section 2-5-3).

## **Section 4**

### **URBAN PLANNING ASSISTANCE PROGRAM**

This Section contains policies and procedures covering the conduct of audits under the urban planning assistance program authorized by Section 701 of the Housing Act of 1954, as amended.

#### **ASSIGNMENT OF AUDIT RESPONSIBILITY**

All audits of projects under this program will be made by auditors of the Audit Division, Office of the Administrator. Such audits shall be assigned as a responsibility of the Supervisory Auditor for the area in which the project is located.

#### **PURPOSE**

The purpose for audits of urban planning assistance projects is to assure that the planning agencies are conforming to the terms and conditions of the urban planning grant contracts and to furnish data on project costs.

#### **SCOPE**

The scope of scheduled audits will generally include:

- (1) Review and determination of the degree of compliance with the terms and conditions of the applicable contract and pertinent regulations and procedures of the Urban Renewal Administration.
- (2) Analysis and reconciliation of all fund accounts to assure that funds made available for completion of the project have been properly accounted for.
- (3) Verification of the costs incurred by the planning agency and a computation of the grant based on such verification.

The scope of the audit for a specific project will be determined at the time the audit is undertaken and as it progresses. The scope of any special audit will be determined by the purpose for which it is being conducted.

#### **ACCOUNTING CONTACT**

An accounting contact will be made with each planning agency having an urban planning assistance program. This contact will be made after

the first disbursement of grant funds has been made to the planning agency and when an auditor is assigned within the area.

#### **TIMING OF AUDITS**

The Audit Division will perform a final audit on those projects having an estimated project period of two years or less. For projects with an estimated project period of more than two years, audits will be scheduled to be made at the end of the second year, and each year thereafter until the project is completed. Final audits will be scheduled to begin 30 days after notice of completion, abandonment, or discontinuance of the project is received in the Audit Division.

An interim or special audit, however, will be made when requested by the Urban Renewal Commissioner or the Regional Office, and it will be scheduled to begin within 30 days after receipt of the formal request.

The timing of scheduled audits is subject to variation due to operating conditions, or requests for rescheduling from the Urban Renewal Commissioner or the Regional Office.

#### **DISTRIBUTION OF REPORTS**

Audit reports will be prepared and distributed under an analytical transmittal letter signed by the Director of the Audit Division in accordance with the following:

- (1) Similarly as is done for urban renewal projects, the Audit Division will prepare a "Statement of Financial Status" consisting of a special narrative dealing with matters of an administrative or financial nature within the jurisdiction of the planning agency, and exhibits and schedules. Two copies of the separate Statement of Financial Status will be transmitted to the Regional Administrator for forwarding to the planning agency within five working days after receipt in the Regional Office.
- (2) Copies of the audit report, including the Statement of Financial Status, will be distributed as follows:

Two copies—Regional Administrator  
 One copy—Director, Division of Administrative Management,  
 URA  
 One copy—Audit Division

#### **AUDIT WORKING FILE**

The following material shall be sent by the Regional Office to the Audit Division in order that the Audit Division will have a working file on each project:

- (1) A copy of the advice of allocation of funds.
- (2) A copy of the Urban Planning Grant Contract and any amendments to or waivers of the contract.

- (3) A copy of Form H-6703, *Urban Planning Project Budget*.
- (4) A copy of each approved Form H-6720A, *Requisition for Urban Planning Grant Payment*.
- (5) Copies of letters, memorandums, or other data approving or disapproving specific project costs or otherwise affecting proposed or approved costs.
- (6) Copies of letters with respect to the suspension, termination, or abandonment of projects.
- (7) Requests for interim or special audits.

#### **FOLLOW-UP ON AUDIT REPORTS**

Regional Offices are responsible for making determinations, within 30 working days after receipt of an audit report in the Regional Office (or, where additional information has been requested from the planning agency, within 20 working days after such additional information has been received), as to the administrative action to be taken with respect to the findings contained in the report. In the usual case, the Audit Division should receive evidence of corrective action within 60 days after receipt of the audit report by the Regional Office. Such evidence will consist of a copy of the Regional Office memorandum and copies of correspondence between the Regional Office and the planning agency indicating that the required action has been taken or that a definite date for the taking of such action has been set.

The Regional Office will furnish the Audit Division with a copy of :

- (1) Each letter dispatched to a planning agency containing inquiries, instructions, or determinations respecting a finding in an audit report.
- (2) Each memorandum from the Regional Office recommending determination or action with respect to such findings, which has been concurred in by the Regional Administrator.
- (3) Each subsequent letter to and from the planning agency concerning any such finding.
- (4) Periodic Regional reports on the status of review and corrective action on audit reports.

## **Section 5**

### **URBAN RENEWAL DEMONSTRATION GRANT PROGRAM**

This Section contains policies and procedures covering the conduct of audits under the Urban Renewal Demonstration Grant Program authorized by Section 314 of the Housing Act of 1954.

#### **ASSIGNMENT OF AUDIT RESPONSIBILITY**

All audits of projects under this program will be made by auditors of the Audit Division, Office of the Administrator. Such audits shall be assigned as a responsibility of the Supervisory Auditor for the area in which the project is located.

#### **PURPOSE**

The purpose of audits of demonstration grant projects is to assure that the contracting public bodies are conforming to the terms and conditions of the demonstration grant contracts and to furnish data on project costs.

#### **SCOPE**

The scope of scheduled audits will generally include:

- (1) Review and determination of the degree of compliance with the terms and conditions of the applicable contract and pertinent regulations and procedures of the Urban Renewal Administration.
- (2) Analysis and reconciliation of fund accounts to assure that funds made available for completion of the project have been properly accounted for.
- (3) Verification of the costs incurred by the public body and a computation of the grant based on such verification.

The scope of the audit for a specific project will be determined at the time the audit is undertaken and as it progresses. The scope of any special audit will be determined by the purpose for which it is being conducted.

#### **ACCOUNTING CONTACT**

An accounting contact will be made with each public body having a demonstration grant project. This contact will be made after the

first grant payment has been made to the public body and when an auditor is assigned within the area.

#### **TIMING OF AUDITS**

Generally, one audit will be made of a demonstration grant project and it will be scheduled to begin within 30 days after the Audit Division receives notice of completion of a project or termination of a project for which a grant payment has been made or is proposed.

An interim or special audit, however, will be made when requested by the Urban Renewal Commissioner or his representative, and it will be scheduled to begin within 30 days after receipt of the formal request.

The timing of scheduled audits is subject to variation due to operating conditions, or requests for rescheduling from the Urban Renewal Commissioner or his representative.

#### **DISTRIBUTION OF REPORT**

Audit reports will be distributed as follows under an analytical transmittal letter signed by the Director, Audit Division:

- (1) Two copies—Urban Renewal Commissioner, Attention: Assistant Commissioner for Program Planning.
- (2) One copy—Director, Division of Administrative Management, URA.
- (3) One copy—Division of Finance and Accounts
- (4) Two copies—Audit Division

#### **AUDIT WORKING FILE**

The following material shall be sent by the Urban Renewal Administration to the Audit Division in order that the Audit Division will have a working file on each project:

- (1) A copy of the advice of allocation of funds.
- (2) A copy of the Demonstration Grant Contract and any amendments to or waivers of the contract.
- (3) A copy of each Form H-6800, *Demonstration Project Budget*.
- (4) A copy of each approved Form H-6820A, *Requisition for Demonstration Grant Payment*.
- (5) Copies of all issuances or letters establishing general policy affecting the financial operations of the program.
- (6) Copies of letters, memorandums, or other data approving or disapproving specific project costs or otherwise affecting proposed or approved costs.

- (7) Copies of letters with respect to the termination of a project.
- (8) Requests for interim or special audits.

**FOLLOW-UP ON AUDIT REPORTS**

The Urban Renewal Commissioner is responsible for making determinations on audit report findings. Where the report lists conditions requiring action, evidence should be transmitted to the Audit Division within 30 days after receipt of an audit report (or, where additional information has been requested from the public body, within 20 working days after such additional information has been received) by the Urban Renewal Administration to show that either (1) corrective action has been taken or is to be taken and is expected to be completed by a certain date, or (2) an administrative determination not to take action has been made. In the latter case, the specific reasons for not taking action shall be set forth for the record. Evidence of corrective action will be the receipt by the Audit Division of copies of correspondence between the Urban Renewal Administration and the public body showing that the required action has been taken or setting a definite date by which such actions will be taken. In the latter case, copies of subsequent correspondence showing the completed action will also be furnished to the Audit Division.

## **Section 6**

### **COLLEGE HOUSING PROGRAM**

This Section contains policies and procedures covering the conduct of audits under the College Housing program.

#### **PURPOSE OF AUDITS**

Audits of College Housing projects shall be conducted for the purpose of assuring the Administrator, the Community Facilities Commissioner, Regional Administrators, and other agency officials that borrowers have conformed to the financial terms and conditions of loan agreements, and to make factual data concerning costs incurred in connection with the construction of projects available to program personnel of the Community Facilities Administration and Regional Offices.

#### **ASSIGNMENT OF AUDIT RESPONSIBILITY**

All audits of accounts and records maintained for College Housing projects shall be conducted by the Audit Division.

#### **TIMING**

Generally, only one audit shall be made of a College Housing project.

Regular audits of College Housing projects shall be scheduled to start within 30 days after receipt by the Audit Division of an official notice of completion or termination.

An interim or special audit shall be made only upon receipt of a written request from the Regional Administrator, the Regional Director or the Community Facilities Commissioner; and such audit shall be scheduled to begin within 30 days after receipt of the request.

The timing of scheduled audits is subject to variation due to operating conditions or requests for rescheduling from the Community Facilities Commissioner or the Regional Administrator.

#### **SCOPE**

The scope of scheduled audits shall generally include:

- (1) A review and determination of the degree of compliance with the financial terms and conditions of the loan agreement.
- (2) A review and determination of the degree of compliance by contractors with the financial aspects of construction, equipment,

and architectural and/or engineering contracts entered into with the borrower.

- (3) Verification of the eligibility of expenditures as recorded or claimed.
- (4) Analysis and reconciliation of fund accounts in accounting for all funds made available for completion of the project.
- (5) A determination that the Revenue and Reserve, and/or any other accounts specified in the loan agreement, have been or are being established at the time of the final audit.

The scope of the audit for a specific project shall be determined at the time the audit is undertaken and as it progresses. The scope for any special audit shall be determined by the purpose for which it is being conducted.

#### AUDIT WORKING FILE

The Audit Division working file (Project File) shall be forwarded to the auditor assigned to the project audit before the start of the assignment. The contents of the file shall be transmitted to the Audit Division by the Regional Office and should consist of:

- (1) A copy of each Form CFA-519, *Project Summary and Approval*, and CFA-105, *Revised Project Summary*.
- (2) A conformed copy of each loan agreement and any amendments or changes to such agreement, and a copy of each letter waiving or interpreting any provision of the loan agreement.
- (3) A copy of each contract change order resulting in a project change.
- (4) A copy of each Form CFA-301, *Calculation of Net Amount Due for Bond Purchases*, which indicates the amount due the borrower after deduction for advances and interest.
- (5) A copy of Form CFA-150, *Project Completion Report*; or of notification to CFA of the abandonment or discontinuance of the project.
- (6) Letter requesting audit.

#### AUDIT REPORTS

The audit report shall be reproduced and distributed as follows:

- (1) Two copies to the Regional Administrator
- (2) One copy to the Community Facilities Commissioner
- (3) Two copies to the Audit Division

#### FOLLOW-UP ON AUDIT REPORTS

Conditions cited in the audit report which require action, in terms of correcting the condition or determining administratively that no change

shall be made, must be acted upon within 30 days after receipt of the report. Such action must be positive, in that evidence must be presented showing that: (1) corrective action has been taken or is to be taken and will be completed by a specified date; or (2) an administrative determination has been made not to take action, for reasons which must be specified.

The Regional Director is responsible for initiating action to correct conditions reflected in the audit report, or for making a recommendation to the Regional Administrator that such action is not required, where such a determination can be made within the policies of CFA. When circumstances so indicate, the Regional Administrator may initiate such action. If the administrative determination required is outside regional authority, the Regional Director shall refer the question, with his recommendation and supporting data, through the Regional Administrator to CFA, with a copy to the Audit Division.

Evidence of corrective action shall be the receipt by the Audit Division and CFA of copies of the correspondence between the Regional Office and the applicant, showing that the required action has been taken or setting a definite date by which such action will be taken. In the latter case, copies of subsequent correspondence showing the completed action must also be furnished the Audit Division and CFA.

Evidence of an administrative determination by the Regional Administrator that action is not required will be the receipt by the Audit Division of a memorandum to that effect. In the case of a question referred to CFA for decision, CFA shall forward the decision to the Regional Office, with a copy to the Audit Division.

Copies of all correspondence with respect to project audits shall be sent to CFA. CFA shall evaluate audit reports and the corrective action taken by the Regional Office, particularly to assure adherence to established policies and procedures, to identify common problems, and, where indicated, to initiate revisions to policies or procedures.

## **Section 7**

### **SENIOR CITIZENS HOUSING LOAN PROGRAM**

This Section contains policies and procedures covering the conduct of audits under the Senior Citizens Housing Loan program. This direct loan program was authorized by Section 202 of the Housing Act of 1959, as amended.

#### **PURPOSE OF AUDITS**

Audits of Senior Citizens Housing projects shall be conducted for the purpose of assuring the Administrator, the Community Facilities Commissioner, Regional Administrators, and other Agency officials that borrowers have conformed to the financial terms and conditions of loan agreements, and to make factual data concerning costs incurred in connection with the construction of projects available to program personnel of the Community Facilities Administration and Regional Offices.

#### **ASSIGNMENT OF AUDIT RESPONSIBILITY**

All audits of accounts and records maintained for Senior Citizens Housing projects shall be conducted by the Audit Division.

#### **TIMING**

Generally, only one audit shall be made of a Senior Citizens Housing project.

Regular audits of Senior Citizens Housing projects shall be scheduled to start within 30 days after receipt by the Audit Division of an official notice of completion or termination.

An interim or special audit shall be made only upon receipt of a written request from the Regional Administrator, the Regional Director or the Community Facilities Commissioner; and such audit shall be scheduled to begin within 30 days after receipt of the request.

The timing of scheduled audits is subject to variation due to operating conditions or requests for rescheduling from the Community Facilities Commissioner or the Regional Administrator.

#### **SCOPE**

The scope of scheduled audits shall generally include:

- (1) A review and determination of the degree of compliance with the financial terms and conditions of the loan agreement.

- (2) A review and determination of the degree of compliance by contractors with the financial aspects of construction, equipment, and architectural and/or engineering contracts entered into with the borrower.
- (3) Verification of the eligibility of expenditures as recorded or claimed.
- (4) Analysis and reconciliation of fund accounts in accounting for all funds made available for completion of the project.
- (5) A determination that the Revenue and Reserve, and/or any other accounts specified in the loan agreement, have been or are being established at the time of the final audit.

The scope of the audit for a specific project shall be determined at the time the audit is undertaken and as it progresses. The scope for any special audit shall be determined by the purpose for which it is being conducted.

#### AUDIT WORKING FILE

The Audit Division working file (Project File) shall be forwarded to the auditor assigned to the project audit before the start of the assignment. The contents of the file shall be transmitted to the Audit Division by the Regional Office and should consist of:

- (1) A copy of each Form CFA-919, *Project Summary and Approval*, and CFA-105, *Revised Project Summary*.
- (2) A conformed copy of each loan agreement and any amendments or changes to such agreement, and a copy of each letter waiving or interpreting any provision of the loan agreement.
- (3) A copy of each contract change order resulting in a project change.
- (4) A copy of each Form CFA-300, *Requisition and Voucher for Bond Payment or Advance*, which indicates the amount disbursed to the borrower.
- (5) A copy of Form CFA-150, *Project Completion Report*; or of notification to CFA of the abandonment or discontinuance of the project.
- (6) Letter requesting audit.

#### AUDIT REPORTS

The audit report shall be reproduced and distributed as follows:

- (1) Two copies to the Regional Administrator
- (2) One copy to the Community Facilities Commissioner
- (3) Two copies to the Audit Division

#### FOLLOW-UP ON AUDIT REPORTS

Conditions cited in the audit report which require action, in terms of correcting the condition or determining administratively that no change

shall be made, must be acted upon within 30 days after receipt of the report. Such action must be positive, in that evidence must be presented showing that: (1) corrective action has been taken or is to be taken and will be completed by a specified date; or (2) an administrative determination has been made not to take action, for reasons which must be specified.

The Regional Director is responsible for initiating action to correct conditions reflected in the audit report, or for making a recommendation to the Regional Administrator that such action is not required, where such a determination can be made within the policies of CFA. When circumstances so indicate, the Regional Administrator may initiate such action. If the administrative determination required is outside regional authority, the Regional Director shall refer the question, with his recommendation and supporting data, through the Regional Administrator to CFA, with a copy to the Audit Division.

Evidence of corrective action shall be the receipt by the Audit Division and CFA of copies of the correspondence between the Regional Office and the applicant, showing that the required action has been taken or setting a definite date by which such action will be taken. In the latter case, copies of subsequent correspondence showing the completed action must also be furnished the Audit Division and CFA.

Evidence of an administrative determination by the Regional Administrator that action is not required will be the receipt by the Audit Division of a memorandum to that effect. In the case of a question referred to CFA for decision, CFA shall forward the decision, to the Regional Office, with a copy to the Audit Division.

Copies of all correspondence with respect to project audits shall be sent to CFA. CFA shall evaluate audit reports and the corrective action taken by the Regional Office, particularly to assure adherence to established policies and procedures, to identify common problems, and, where indicated, to initiate revisions to policies or procedures.

## **Section 8**

### **PUBLIC FACILITY LOANS PROGRAM**

This Section contains policies and procedures covering the conduct of audits of non-Federal projects approved under the Public Facility Loans Program.

#### **PURPOSE OF AUDIT**

Audits of Public Facility Loans projects shall be conducted for the purpose of assuring the Administrator, the Community Facilities Commissioner, Regional Administrators, and other agency officials that borrowers have conformed to the financial terms and conditions of loan agreements, and to make factual data concerning costs incurred in connection with the construction of projects available to program personnel of the Community Facilities Administration and Regional Offices.

#### **ASSIGNMENT OF AUDIT RESPONSIBILITY**

All audits of accounts and records maintained for Public Facility Loan projects shall be conducted by the Audit Division.

#### **TIMING**

Generally, only one audit shall be made of a Public Facility Loan project.

Regular audits of Public Facility Loan projects shall be scheduled to start within 30 days after receipt by the Audit Division of an official notice of completion or termination.

An interim or special audit shall be made only upon receipt of a written request from the Regional Administrator, the Regional Director or the Community Facilities Commissioner; and such audit shall be scheduled to begin within 30 days after receipt of the request.

The timing of scheduled audits is subject to variation due to operating conditions or requests for rescheduling from the Community Facilities Commissioner or the Regional Administrator.

#### **SCOPE**

The scope of scheduled audits shall generally include:

- (1) A review and determination of the degree of compliance with the financial terms and conditions of the loan agreement.

- (2) A review and determination of the degree of compliance by contractors with the financial aspects of construction, equipment, and architectural and/or engineering contracts entered into with the borrower.
- (3) Verification of the eligibility of expenditures as recorded or claimed.
- (4) Analysis and reconciliation of fund accounts in accounting for all funds made available for completion of the project.
- (5) A determination that the Revenue and Reserve, and/or any other accounts specified in the loan agreement, have been or are being established at the time of the final audit.

The scope of the audit for a specific project shall be determined at the time the audit is undertaken and as it progresses. The scope for any special audit shall be determined by the purpose for which it is being conducted.

#### AUDIT WORKING FILE

The Audit Division working file (Project File) shall be forwarded to the auditor assigned to the project audit before the start of the assignment. The contents of the file shall be transmitted to the Audit Division by the Regional Office and should consist of:

- (1) A copy of each Form CFA-719, *Project Summary and Approval*, and CFA-105, *Revised Project Summary*.
- (2) A conformed copy of each loan agreement and any amendments or changes to such agreement, and a copy of each letter waiving or interpreting any provision of the loan agreement.
- (3) A copy of each contract change order resulting in a project change.
- (4) A copy of each Form CFA-301, *Calculation of Net Amount due for Bond Purchases*, which indicates the amount due the borrower after deduction for advances and interest.
- (5) A copy of Form CFA-150, *Project Completion Report*; or of notification to CFA of the abandonment or discontinuance of the project.
- (6) Letter requesting audit.

#### AUDIT REPORTS

The audit report shall be reproduced and distributed as follows:

- (1) Two copies to the Regional Administrator
- (2) One copy to the Community Facilities Commissioner
- (3) Two copies to the Audit Division

**FOLLOW-UP ON AUDIT REPORTS**

Conditions cited in the audit report which require action, in terms of correcting the condition or determining administratively that no change shall be made, must be acted upon within 30 days after receipt of the report. Such action must be positive, in that evidence must be presented showing that: (1) corrective action has been taken or is to be taken and will be completed by a specified date; or (2) an administrative determination has been made not to take action for reasons which must be specified.

The Regional Director is responsible for initiating action to correct conditions reflected in the audit report, or for making a recommendation to the Regional Administrator that such action is not required, where such a determination can be made within the policies of CFA. When circumstances so indicate, the Regional Administrator may initiate such action. If the administrative determination required is outside regional authority, the Regional Director shall refer the question, with his recommendation and supporting data, through the Regional Administrator to CFA, with a copy to the Audit Division.

Evidence of corrective action shall be the receipt by the Audit Division and CFA of copies of the correspondence between the Regional Office and the applicant, showing that the required action has been taken or setting a definite date by which such action will be taken. In the latter case, copies of subsequent correspondence showing the completed action must also be furnished the Audit Division and CFA.

Evidence of an administrative determination by the Regional Administrator that action is not required will be the receipt by the Audit Division of a memorandum to that effect. In the case of a question referred to CFA for decision, CFA shall forward the decision to the Regional Office with a copy to the Audit Division.

Copies of all correspondence with respect to project audits shall be sent to CFA. CFA shall evaluate audit reports and the corrective action taken by the Regional Office, particularly to assure adherence to established policies and procedures, to identify common problems, and, where indicated, to initiate revisions to policies or procedures.

## **Section 9**

### **ACCELERATED PUBLIC WORKS PROGRAM**

This Section contains policies and procedures covering the conduct of audits under the Accelerated Public Works Program.

#### **PURPOSE OF AUDIT**

Audits of Accelerated Public Works projects shall be conducted for the purpose of assuring the Administrator, the Community Facilities Commissioner, Regional Administrators and other agency officials that applicants are conforming to the financial terms and conditions of the grant and/or loan agreements, and to make factual data concerning costs incurred in connection with construction of the projects available to program personnel of the Community Facilities Administration and Regional Offices.

#### **ASSIGNMENT OF AUDIT RESPONSIBILITY**

The OA Audit Division is responsible for the audit of all APW projects which include both a grant and a Public Facility Loan. Those APW projects which include only grants shall be audited by independent public accountants, unless the applicant is unable to provide funds for its share of the cost of the project audit, or where the cost of the audit would be unreasonable in relation to total project costs. In such instances, the audit shall be performed by the OA Audit Division.

The procedures for audits by public accountants are covered as a part of current instructions for conduct of the APW Program.

#### **TIMING**

Unless required otherwise by special circumstances, only one audit shall be made of an Accelerated Public Works project, and it shall be scheduled to begin after final inspection of the project and after 90 percent of grant funds have been disbursed.

An interim or special audit shall be made only upon receipt of a written request from the Regional Administrator, the Regional Director or the Community Facilities Commissioner; and such audit shall be scheduled to begin within 30 days after receipt of the request.

#### **SCOPE**

The scope of scheduled audits performed by the OA Audit Division shall generally include the following:

- (1) A review and determination of the degree of compliance with the financial terms and conditions of the grant agreement, or the loan and grant agreement.
- (2) A review and determination of the degree of compliance by contractors with the financial aspects of construction, equipment, and architectural and/or engineering contracts entered into with the public agencies.
- (3) Verification of the eligibility of expenditures as recorded or claimed.
- (4) Analysis and reconciliation of fund accounts in accounting for all Federal funds made available for completion of the project.

The scope of any special audit shall be determined by the purpose for which it is being conducted.

#### AUDIT WORKING FILE

Where audits are scheduled to be performed by the Audit Division, the Regional Director of Community Facilities shall furnish the Audit Division, through the Supervisory Auditor for the Region, with the following material:

- (1) A copy of the *Project Summary and Approval*, Form CFA-1119, and revisions, Form CFA-105.
- (2) One conformed copy of the offer and acceptance documents, Forms CFA-1121 and CFA-1122, and a copy of Form CFA-1120, *Terms and Conditions*.
- (3) A copy of each approved Form CFA-1130, *Requisition and Voucher for Grant Payment*.
- (4) Copies of letters, memorandums, or other data approving or disapproving costs.
- (5) Copies of letters with respect to termination of the project.
- (6) Request for regular or special audits.

#### AUDIT REPORTS

Audit reports by the Audit Division shall be reproduced and distributed as follows:

- (1) Two copies to the Regional Administrator
- (2) One copy to the Community Facilities Commissioner
- (3) Two copies to the Audit Division

#### FOLLOW-UP ON AUDIT REPORTS

Conditions cited in the audit report submitted by the Audit Division which require action, in terms of correcting the condition or determining administratively that no change shall be made, must be acted upon within 30 days after receipt of the report. Such action must be positive,

in that evidence must be presented showing that: (1) corrective action has been taken or is to be taken and will be completed by a specified date; or (2) an administrative determination has been made not to take action, for reasons which must be specified.

The Regional Director is responsible for initiating action to correct conditions reflected in the audit report, or for making a recommendation to the Regional Administrator that such action is not required, where such a determination can be made within the policies of CFA. When circumstances so indicate, the Regional Administrator may initiate such action. If the administrative determination required is outside regional authority, the Regional Director shall refer the question, with his recommendation and supporting data, through the Regional Administrator to CFA, with a copy to the Audit Division.

Evidence of corrective action will be the receipt by the Audit Division and CFA of copies of the correspondence between the Regional Office and the applicant, showing that the required action has been taken or setting a definite date by which such action will be taken. In the latter case, copies of subsequent correspondence showing the completed action must also be furnished the Audit Division and CFA.

Evidence of an administrative determination by the Regional Administrator that action is not required shall be the receipt by the Audit Division of a memorandum to that effect. In the case of a question referred to CFA for decision, CFA shall forward the decision to the Regional Office, with a copy to the Audit Division.

Copies of all correspondence with respect to project audits shall be sent to CFA. CFA shall evaluate audit reports and the corrective action taken by the Regional Office, particularly to assure adherence to established policies and procedures, to identify common problems, and, where indicated, to initiate revisions to policies or procedures.

## **Section 10**

### **AREA REDEVELOPMENT PROGRAM**

This Section contains policies and procedures covering the conduct of audits under the Area Redevelopment Program authorized by the Area Redevelopment Act.

#### **PURPOSE OF AUDIT**

Audits of Area Redevelopment projects shall be conducted for the purpose of assuring the Administrator, the Community Facilities Commissioner, Regional Administrators and other agency officials that borrowers and grantees have conformed to the financial terms and conditions of their agreements, and to make factual data concerning costs incurred in connection with project construction and development available to program personnel of the Community Facilities Administration, Regional Offices, and the Area Redevelopment Administration.

#### **ASSIGNMENT OF AUDIT RESPONSIBILITY**

All audits of accounts and records maintained by applicants participating in the Area Redevelopment Program covering loans and grants for public facilities shall be conducted by the Audit Division.

#### **TIMING**

Generally, only one audit shall be made of an Area Redevelopment project.

Regular audits of Area Redevelopment projects shall be scheduled to start within 30 days after receipt by the Audit Division of an official notice of completion or termination.

An interim or special audit shall be made only upon receipt of a written request from the Regional Administrator, the Regional Director or the Community Facilities Commissioner; and such audit shall be scheduled to begin within 30 days after receipt of the request.

The timing of scheduled audits is subject to variation due to operating conditions or requests for rescheduling from the Community Facilities Commissioner or the Regional Administrator.

#### **SCOPE**

The scope of scheduled audits shall generally include the following:

- (1) A review and determination of the degree of compliance with the financial terms and conditions of the agreement.

- (2) A review and determination of the degree of compliance by contractors with the financial aspects of construction, equipment, and architectural and/or engineering contracts entered into with the applicant agencies.
- (3) Verification of the eligibility of expenditures as recorded or claimed.
- (4) Analysis and reconciliation of fund accounts in accounting for all funds made available for completion of the project.
- (5) A determination that accounts specified in the agreement have been or are being established at the time of the final audit.

The scope of the audit for a specific project shall be determined at the time the audit is undertaken and as it progresses. The scope of a special audit shall be determined by the purpose for which it is being conducted.

#### AUDIT WORKING FILE

The Audit Division working file (Project File) shall be forwarded to the auditor assigned to the project audit before the start of the assignment. The contents of the file shall be transmitted to the Audit Division by the Regional Office and should consist of:

- (1) A copy of each Form CFA-1019, *Project Summary*, and Form CFA-105, *Revised Project Summary*.
- (2) A conformed copy of each agreement and any amendments or changes to such agreement, and a copy of each letter waiving or interpreting any provision of the agreement.
- (3) A copy of each contract change order resulting in a project change.
- (4) A copy of each Form CFA-301, *Calculation of Net Amount due for Bond Purchases*, which indicates the amount due the borrower after deduction for advances and interest.
- (5) A copy of Form CFA-150, *Project Completion Report*; or of notification to CFA of the abandonment or discontinuance of the project.
- (6) Letter requesting audit.

#### AUDIT REPORTS

Audit reports shall be prepared and distributed as follows:

- (1) Two copies to the Regional Administrator
- (2) One copy to the Community Facilities Commissioner
- (3) One copy to the Community Facilities Administration for transmittal to the Area Redevelopment Administration
- (4) Two copies to the Audit Division

**FOLLOW-UP ON AUDIT REPORTS**

Conditions cited in the audit report which require action, in terms of correcting the condition or determining administratively that no change shall be made, must be acted upon within 30 days after receipt of the report. Such action must be positive, in that evidence must be presented showing that: (1) corrective action has been taken or is to be taken and will be completed by a specified date; or (2) an administrative determination has been made not to take action for reasons which must be **specified**.

The Regional Director is responsible for initiating action to correct conditions reflected in the audit report, or for making a recommendation to the Regional Administrator that such action is not required, where such a determination can be made within the policies of CFA. When circumstances so indicate, the Regional Administrator may initiate such action. If the administrative determination required is outside regional authority, the Regional Director shall refer the question, with his recommendation and supporting data, through the Regional Administrator to CFA, with a copy to the Audit Division.

Evidence of corrective action will be the receipt by the Audit Division and CFA of copies of the correspondence between the Regional Office and the applicant, showing that the required action has been taken or setting a definite date by which such action will be taken. In the latter case, copies of subsequent correspondence showing the completed action must also be furnished the Audit Division and CFA.

Evidence of an administrative determination by the Regional Administrator that action is not required shall be the receipt by the Audit Division of a memorandum to that effect. In the case of a question referred to CFA for decision, CFA shall forward the decision to the Regional Office, with a copy to the Audit Division.

Copies of all correspondence with respect to project audits shall be sent to CFA. CFA shall evaluate audit reports and the corrective action taken by the Regional Office, particularly to assure adherence to established policies and procedures, to identify common problems, and, where indicated, to initiate revisions to policies or procedures.

## **Section 11**

### **OPEN-SPACE LAND PROGRAM**

This Section contains policies and procedures covering the conduct of at-the-site audits under the Open Space Land Program.

#### **ASSIGNMENT OF AUDIT RESPONSIBILITY**

Normally, at-the-site audits of open space land programs will not be made. An at-the-site audit will be made by the Audit Division, Office of the Administrator, upon request by the Regional Office due to such factors as the following: (1) the documents submitted in support of a requisition for grant payment contain discrepancies which cannot be explained without an examination of the books and records of the Public Body; or (2) the size of the acquisition and the number of individual ownerships involved indicate an at-the-site audit as the only feasible method of determining compliance of the Public Body with the terms of the grant contract (see Volume VII, Chapter 47-3).

#### **PURPOSE**

The purpose of at-the-site audits of open space land programs is to assure that the contracting public bodies are conforming to the terms and conditions of the contract for grant to acquire open space land and to URA policies and requirements, and to furnish data on acquisition costs.

#### **SCOPE**

The scope of scheduled audits will generally include:

- (1) Review and determination of the degree of compliance with the terms and conditions of the applicable contract and pertinent regulations and procedures of URA.
- (2) Analysis and reconciliation of fund accounts to assure that funds made available for the acquisition of open space land have been properly accounted for.
- (3) Verification of the costs incurred by the Public Body and a computation of the grant based on such verification.

The scope of any special at-the-site audit will be determined by the purpose for which it is being conducted.

**TIMING OF AUDITS**

A final at-the-site audit will be made of an open space land program only upon request of the Regional Office and it will be scheduled to begin within 30 days after the Audit Division receives notice of completion of a program or a termination of a program for which grant payment has been made. An interim or special at-the-site audit will be made when requested by the Urban Renewal Commissioner or the Regional Office, and it will be scheduled to begin within 30 days after receipt of the formal request.

**AUDIT WORKING FILE**

Upon requesting an at-the-site audit, the following material shall be sent to the Audit Division, via the Regional Supervisory Auditor, in order that the Audit Division will have a working file on each program to be audited :

- (1) A copy of the advice of allocation of funds.
- (2) A copy of the Contract for Grant To Acquire Open-Space Land and amendments to or waivers of the contract.
- (3) A copy of each approved Form H-6620A, *Requisition for Grant Payment for Open-Space Land*.
- (4) Copies of letters, memorandums, or other data approving or disapproving costs or activities.
- (5) Copies of letters with respect to termination of the program.
- (6) Requests for interim or special audits.

URA shall send to the Audit Division copies of all issuances or letters establishing general policy affecting the financial operations of the program.

**DISTRIBUTION OF REPORT**

Audit reports will be distributed as follows :

- (1) Four copies—Regional Administrator (two copies for transmittal to Public Body by Regional Office).
- (2) One copy—Director, Division of Administrative Management, URA.
- (3) One copy—Assistant Commissioner for Urban Planning and Community Development, URA.
- (4) One copy—Director, Division of Finance and Accounts.
- (5) Two copies—Audit Division.

**FOLLOWUP ON AUDIT REPORTS**

The Regional Office is responsible for making determinations, within 30 days after receipt of an audit report (or where additional information has been requested from the Public Body, within 20 working days

after such additional information has been received), as to the administrative action to be taken with respect to the findings contained in the report. In the usual case, the Audit Division should receive evidence of corrective action within 60 days after receipt of the audit report by the Regional Office.

Evidence of corrective action will be the receipt by the Audit Division of copies of Regional Office memorandums and copies of correspondence between the Regional Office and the Public Body showing that the required action has been taken or setting a definite date by which such actions will be taken. In the latter case, copies of subsequent correspondence showing the completed action will also be furnished to the Audit Division. Where an administrative determination not to take action is made, a copy of the Regional Office memorandum making such determination and specifying the reasons for not taking action shall be furnished to the Audit Division.

## **Section 13**

### **LOW-INCOME HOUSING DEMONSTRATION GRANT PROGRAM**

This Section contains policies and procedures covering the conduct of audits under the Low-Income Housing Demonstration Grant Program authorized by Section 207 of the Housing Act of 1961.

#### **ASSIGNMENT OF AUDIT RESPONSIBILITY**

All audits of projects under this program shall be made by auditors of the Audit Division, Office of the Administrator. Such audits shall be assigned as a responsibility of the Supervisory Auditor for the area in which the project is located.

#### **PURPOSE**

The purpose of audits of low-income housing demonstration grant projects is to assure that the participating bodies are conforming to the terms and conditions of the low-income housing demonstration grant contracts and other applicable requirements, and to furnish data on project costs.

#### **SCOPE**

The scope of scheduled audits shall generally include:

- (1) Review and determination of the degree of compliance with the terms and conditions of the applicable contract and pertinent regulations and procedures of the Housing and Home Finance Agency.
- (2) Analysis and reconciliation of fund accounts to assure that funds made available for completion of the project have been properly accounted for.
- (3) Verification of the costs incurred by the participating body and a computation of the grant based on such verification.

The scope of the audit for a specific project shall be determined at the time the audit is undertaken and as it progresses. The scope of any special audit will be determined by the purpose for which it is being conducted.

#### **ACCOUNTING CONTACT**

An accounting contact shall be made with each participating body having a low-income housing demonstration grant project. This contact

shall be made after the first advance of funds as been made to the participating body and when an auditor is assigned within the area.

#### **TIMING OF AUDITS**

Generally, one audit shall be made of a low-income housing demonstration grant project and it shall be scheduled to begin within 30 days after notice of completion, abandonment, or discontinuance of the project is received in the Audit Division.

An interim or special audit, however, shall be made when requested by the Assistant Administrator (Program Policy) or his designee, and it shall be scheduled to begin within 30 days after receipt of the formal request.

The timing of scheduled audits is subject to variation due to operating conditions, or to requests for rescheduling from the Assistant Administrator (Program Policy) or his designee.

#### **DISTRIBUTION OF REPORT**

Audit reports shall be distributed as follows under an analytical transmittal letter signed by the Director, Audit Division:

- (1) Two copies—Assistant Administrator, Office of Program Policy, Attention: Director, Low-Income Housing Demonstration Program.
- (2) One copy—Division of Finance and Accounts.
- (3) Two copies—Office of Program Policy, for transmittal to the head of the governing body of the participating body and to the official responsible for execution of the project.
- (4) Two copies—Audit Division.

#### **AUDIT WORKING FILE**

The following material shall be sent by the Office of Program Policy to the Audit Division in order that the Audit Division will have a working file on each project:

- (1) A copy of the advice of allocation of funds.
- (2) A copy of the Low-Income Housing Demonstration Grant Contract and any amendments to or waivers of such contracts.
- (3) A copy of each approved Form H-552, *Demonstration Project Budget*.
- (4) A copy of each approved Form H-555, *Requisition for Demonstration Grant Payment*.
- (5) Copies of letters, memoranda, or other data approving or disapproving specific project costs or otherwise affecting proposed or approved costs.

- (6) Copies of letters with respect to the suspension or termination of projects.
- (7) Requests for interim or special audits.
- (8) Request for final audit.

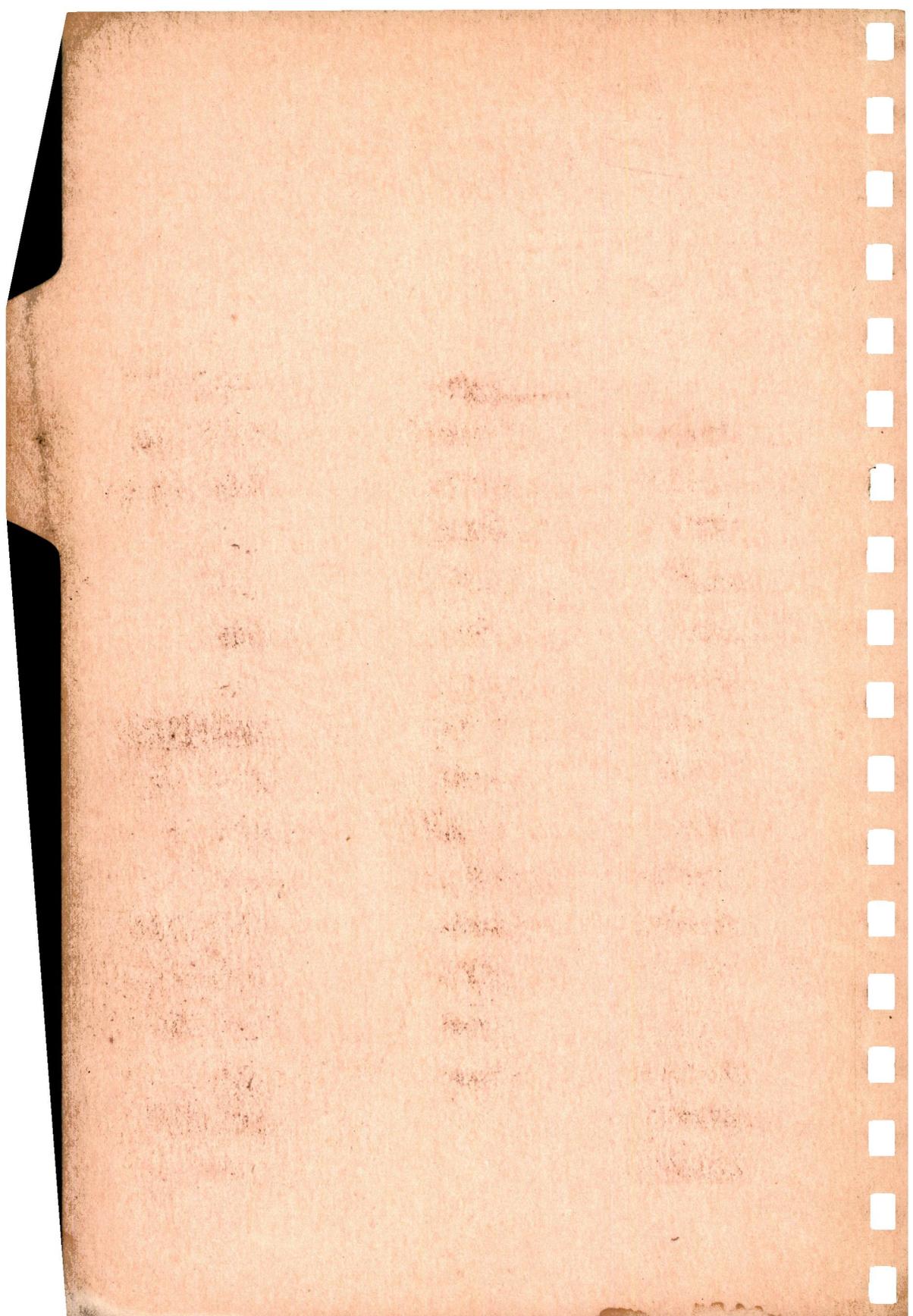
**FOLLOW-UP ON AUDIT REPORTS**

The Assistant Administrator (Program Policy) is responsible for making determinations on audit report findings. Where the report lists conditions requiring action, evidence should be transmitted to the Audit Division within 30 days after receipt of an audit report (or, where additional information has been requested from the participating body, within 20 working days after such additional information has been received) by the Office of Program Policy to show that either (1) corrective action has been taken or is to be taken and is expected to be completed by a certain date, or (2) that an administrative determination not to take action has been made. In the latter case, the specific reasons for not taking action shall be set forth for the record.

Evidence of corrective action will be the receipt by the Audit Division of copies of correspondence between the Office of Program Policy and the participating body showing that the required action has been taken or setting a definite date by which such actions will be taken. In the latter case, copies of subsequent correspondence showing the completed action shall also be furnished to the Audit Division.

Where an administrative determination not to take action is made, a copy of a memorandum from the Assistant Administrator (Program Policy) making such determination shall be furnished the Audit Division.

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TRANSMITTAL CHECK LIST

Upon receipt of each transmittal letter, the recipient will place his initials in the blank following the appropriate number. A break in the continuity of transmittal letters received will indicate missing changes.

TL No.	Initials	TL No.	Initials	TL No.	Initials
AP- 1		AP-18	MBH.	AP-35	TS 5/12/53
AP- 2	MB	AP-19	MBH.	AP-36	TS 5/12/53
AP- 3	MB	AP-20	MBH.	AP-37	TS 5/20/53
AP- 4	MB	AP-21	MBH.	AP-38	✓
AP- 5	MB	AP-22	MBH.	AP-39	✓
AP- 6	MB	AP-23	MBH.	AP-40	TS
AP- 7	EX	AP-24	MBH.	AP-41	TS
AP- 8	EX	AP-25	MBH.	AP-42	TS 10/21/53
AP- 9	ES	AP-26	MBH.	AP-43	K.P. 1/20/54
AP-10	ES	AP-27	MBH.	AP-44	K.P. 2/24/54
AP-11	MBH.	AP-28	MBH.	AP-45	K.P. 2/26/54
AP-12	MBH.	AP-29	DMW.	AP-46	K.P. 3/5/54
AP-13	MBH.	AP-30	DMR.	AP-47	K.P. 3/5/54
AP-14	MBH.	AP-31	DMR.	AP-48	K.P. 4/23/54
AP-15	MBH.	AP-32	DMR.	AP-49	K.P. 4/7/54
AP-16	MBH.	AP-33	TS	AP-50	K.P. 4/11/54
AP-17	MBH.	AP-34		AP-51	K.P. 5/21

2/19/51

checked 4/7/54  
 H.P. 45 had not been sent out.

TL No.	Initials	TL No.	Initials	TL No.	Initials
AP-52	K.P. 6/1/54	AP-75	TR 11-15-55	AP-98	gag 10-10-57
AP-53	K.P. 6/1/54	AP-76	TR 12-22-55	AP-99	gag 11-5-57
AP-54	K.P. 6/23/54	AP-77	TR 1-24-56	AP-100	gag 11-5-57
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AP-66	TR-4-22-55	AP-89	TR-9-21-56	AP-112	gag 6-18-58
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AP-70	TR-8-3-55	AP-93	Emp 8/17/57	AP-116	gag 7-28-58
AP-71	TR-8-29-55	AP-94	gag 8-14-57	AP-117	gag 9-13-58
AP-72	TR-9-27-55	AP-95	gag 9-6-57	AP-118	gag 9-13-58
AP-73	TR-10-3-55	AP-96	gag 9-17-57	AP-119	gag 9-13-58
AP-74	TR-10-20-55	AP-97	gag 10-10-57	AP-120	gag 9-13-58

TL No.	Initials	TL No.	Initials	TL No.	Initials
AP-121	GBG 2-58	AP-144	MF 8/5/60	AP-167	4 11/1/62
AP-122	GBG 1/1/59	AP-145	MF 8/5/60	AP-168	jq 3/29/63
AP-123	GBG 1/1/58	AP-146	MF 8/5/60	AP-169	jq 3/29/63
AP-124	GBG 2/5/59	AP-147	Geo-9/23/60	AP-170	jq 7/12/64
AP-125	Geo 4/6/59	AP-148	Geo-9/23/60	AP-171	jq 7/12/64
AP-126	Geo 4/6/59	AP-149	Geo-9/22/60	AP-172	cy 9-11-63
AP-127	Geo 4/6/59	AP-150	Geo-9/22/60	AP-173	G-9-20-63
AP-128	Geo 5/20/59	AP-151	Geo-1/17/61	AP-174	BS-9-26-63
AP-129	Geo 5/28/59	AP-152	Geo-1/17/61	AP-175	BY-11-19-63
AP-130	Geo 5/27/59	AP-153	Geo-1/17/61	AP-176	BJ 12-19-63
AP-131	Geo 5/27/59	AP-154	Geo 2/2/61	AP-177	BQ 3-9-64
AP-132	Geo 7/8/59	AP-155	Geo 4/12/61	AP-178	CS 4-14-64
AP-133	Geo 7/21/59	AP-156	Geo 5/4/61	AP-179	GBG 6/18/64
AP-134	Geo 8/28/59	AP-157	Geo-7/29/61	AP-180	GBG 6/18/64
AP-135	Geo 2/4/60	AP-158	Geo-8/29/61	AP-181	GBG 6/18/64
AP-136	Geo 2/4/60	AP-159	LB 10/30/61	AP-182	JM 8/6/64
AP-137	Geo 5/19/60	AP-160	LB 11/15/61	AP-183	D.H. 1-26-65
AP-138	Geo 5/19/60	AP-161	checked Ht 2-18-62	AP-184	D.H. 1-26-65
AP-139	Geo 5/19/60	AP-162	Ht 2-18-62	AP-185	D.H. 1-26-65
AP-140	Geo 5/19/60	AP-163	Ht 3/20/62	AP-186	D.H. 1-26-65
AP-141	Geo 5/20/60	AP-164	Ht 6/15/62	AP-187	D.H. 3-2-65
AP-142	MF 8/5/60	AP-165	Ht 7-24-62	AP-188	D.H. 3-2-65
AP-143	MF 8/5/60	AP-166	St 10/2/62	AP-189	D.H. 6-24-65

TL No.	Initials	TL No.	Initials	TL No.	Initials
AP-190	<i>D.H. 6-24-65</i>	AP-213		AP-236	
AP-191	<i>E.P. 8-9-65</i>	AP-214		AP-237	
AP-192	<i>J.C. 9-24-65</i>	AP-215		AP-238	
AP-193	<i>J.C. 1/17/66</i>	AP-216		AP-239	
AP-194		AP-217		AP-240	
AP-195		AP-218		AP-241	
AP-196		AP-219		AP-242	
AP-197		AP-220		AP-243	
AP-198		AP-221		AP-244	
AP-199		AP-222		AP-245	
AP-200		AP-223		AP-246	
AP-201		AP-224		AP-247	
AP-202		AP-225		AP-248	
AP-203		AP-226		AP-249	
AP-204		AP-227		AP-250	
AP-205		AP-228		AP-251	
AP-206		AP-229		AP-252	
AP-207		AP-230		AP-253	
AP-208		AP-231		AP-254	
AP-209		AP-232		AP-255	
AP-210		AP-233		AP-256	
AP-211		AP-234		AP-257	
AP-212		AP-235		AP-258	

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# MULT-O RING BINDER

TO OPEN - press bottom  
levers together with slight  
clockwise motion.

TO CLOSE - press top levers.

Manufactured By  
**BEAVERITE PRODUCTS Inc.**  
BEAVER FALLS, N. Y.

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