

Volume V

**Administrative Practice
Handbook**

Field Service

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

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Book I



HOUSING AND HOME FINANCE AGENCY
Office of the Administrator

INTRODUCTION

SCOPE

Volume V of the Manual series is the medium by which administrative policies, standards, and procedures applicable to the field service are promulgated.

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

ORGANIZATION AND NUMBERING

This Volume consists of four books.

Books I and II contain Part 1, General Administrative Practice; Part 2, Personnel Administration; Part 3, Budget and Fiscal Controls; Part 4, Travel and Transportation; Part 5, Communications; and Part 6, General Administrative Services.

Books III and IV which are distributed on a separate distribution list, contain Part 7, Accounting and Fiscal 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., 4-3-2), the first digit indicates the Part, the second the Chapter, and the third the Section. Where a two digit number is used (e.g., 4-2), 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 issuance is shown at the bottom of each page.

MAINTENANCE

Revised pages are sent out under cover of a Transmittal Letter. When changes have been made in accordance with the Transmittal Letter instructions, the check list at the back of Book II 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.

Books I and II of Volume V are distributed on a separate distribution list from Books III and IV. The Transmittal letters for these distribution lists will, therefore, be separately identified and numbered. Those for Books I and II will be numbered FS-1, FS-2, FS-3, etc. Those for Books III and IV will be numbered FA-1, FA-2, FA-3, etc.

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Part 7, Accounting and Fiscal Procedures, is contained in Books III and IV of this Volume.



Section 1

DESIGNATION OF ACTING REGIONAL OFFICERS

By delegation of authority effective May 4, 1962 (27 F. R. 4319), the Housing and Home Finance Administrator has authorized each Regional Administrator to designate the regional officer(s) or employee(s) who shall serve as Acting Regional Administrator during the absence of the Regional Administrator, or as Acting head of an organizational unit of the Regional Office during the absence of the head of the unit, with all the powers, functions, and duties delegated or redelegated or assigned to the position of Regional Administrator or head of the unit, respectively.

In each Regional Office, at least one officer or employee shall be designated to serve in an Acting capacity for each of the following positions:

- Regional Administrator
- Regional Director of Community Facilities
- Regional Director of Urban Renewal
- Director, Administrative Management

If more than one officer or employee is designated to serve as Acting in any of the positions listed, the designation shall specify the order in which such officers and employees become eligible to act.

A designation to serve as Acting in any of the positions listed, or in any other position which involves the exercise of final authority except in a matter relating solely to internal Federal management, shall be prepared for publication in the Federal Register, following the form shown in Exhibit A.

If the Regional Administrator wishes to make a change in the designation of an Acting officer, a superseding designation shall be made, and it shall identify the designation which is superseded.

PREPARATION AND SUBMISSION

Each designation shall be typed, double-spaced, on 8x10½" bond paper, with a sufficient number of tissue carbons to provide for the following distribution:

- (1) The original and the first two carbon copies signed by the Regional Administrator, as required for Federal Register publication.
- (2) One signed copy for the Regional Office files.

- (3) Two conformed copies for Central Office files.
- (4) One conformed copy for each officer or employee therein designated.
- (5) One conformed copy for each officer or employee whose designation is therein revoked.

The effective date of the designation shall be left blank. The Central Office will insert, as the effective date, the date the designation is published in the Federal Register.

The original, the first two signed copies, and two conformed copies of the designation shall be transmitted to the Assistant Administrator (Administration), Attention: Management Analysis and Procedures Branch, which will secure appropriate Central Office clearances and initiate action to secure publication in the Federal Register. Designations which list officers other than the Deputy will be cleared with the constituent Commissioners or other appropriate officers.

NOTICE OF ABSENCE

Each listed Regional officer and each such Acting officer shall provide written notice to the Regional Office of the inclusive dates of a contemplated absence, and shall arrange for timely notification in case of an emergency absence. A copy of such notices shall be maintained in the Regional Office files to establish the qualification of each Acting officer.

EXHIBIT A

HOUSING AND HOME FINANCE AGENCY
Office of the Administrator
Acting Regional Administrator, Region X (City)

Designation

The officers appointed to the following listed positions in Region X (City) are hereby designated to serve as Acting Regional Administrator, Region X, during the absence of the Regional Administrator, with all the powers, functions, and duties delegated or assigned to the Regional Administrator, provided that no officer is authorized to serve as Acting Regional Administrator unless all other officers whose titles precede his in this designation are unable to act by reason of absence:

1. Regional Director of Community Facilities.
2. Regional Director of Urban Renewal.

This designation supersedes the designation effective April 22, 1962 (25 F. R. 3773, April 29, 1962).

(Housing and Home Finance Administrator's delegation effective May 4, 1962 (27 F. R. 4319, May 4, 1962))

Effective as of the _____ day of _____.

M. L. Crawford
Regional Administrator
Region X

Part 1. General Administrative Practice

Section 2

REDELEGATIONS OF AUTHORITY

Section 502(a) of the Housing Act of 1948, as amended (12 U.S.C. 1701c), 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,¹ may authorize such successive redelegations of such functions and powers, as he may deem desirable. * * * ”

By delegations of authority appearing in Part 5 of Volume II, the Housing and Home Finance Administrator has authorized Regional Administrators to exercise final authority with respect to certain matters within their Regions and, in some cases, to redelegate to other officers and employees any of the authorities delegated, in whole or in part, when such action is determined to be necessary for the efficient administration of the activities affected.

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,² shall be separately stated and currently published in the Federal Register.

PREPARATION AND FILING OF REDELEGATIONS OF AUTHORITY

Redelegations of authority pertaining to both program and administrative matters shall be prepared in accordance with the following instructions. Redelegations shall be made to positions by title (as distinguished from to named individuals).

Redelegations Relating Solely to Internal Management

Redelegations of authority involving matters relating solely to internal management (such as those appearing in Section 5-15-17 as Items a, b, and c) shall be prepared on Form H-156, *Redelegation of Authority*. A separate document shall be prepared for each redelegation of authority.

Form H-156 shall be prepared in accordance with Exhibit A and the detailed instructions for execution of Form H-156, below, in an original and one carbon copy. The original Form H-156 shall be retained in the files of the Regional Office taking action, and the carbon copy shall be transmitted to the incumbent of the position to which the redelegation is made.

Redelegations Required to be Published in the Federal Register

Redelegations of final authority, except those involving matters re-

¹ 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)).

² 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.

lating solely to internal management, shall be published in the Federal Register. Re Delegations of such authority (as examples, authorities to execute contracts and agreements) shall be separately stated and shall be prepared in accordance with Exhibit B, making appropriate changes with respect to position title, Region number, city, and effective date. These re delegations shall be typed, double-spaced, on 8 x 10½" bond paper.

Unless the Regional Administrator determines that unusual circumstances require that the re delegated authority be exercised immediately, the effective date will be left blank. The Central Office will insert, as the effective date, the date the re delegation is published in the Federal Register. If it is deemed necessary to make the re delegation effective upon signature, a brief explanation shall be included in the transmittal to the Central Office.

The original and 2 carbon copies signed by the Regional Administrator, together with 3 conformed carbon copies, shall be submitted to the Assistant Administrator (Administration), Attention: Management Analysis and Procedures Branch, which will initiate action to secure publication in the Federal Register.

When the publication date is known, the Central Office will complete the re delegation by inserting therein the Federal Register publication date. One completed copy of the re delegation will be returned to the Regional Office which shall insert the effective date on its copies.

NUMBERING AND REGISTRATION OF REDELEGATIONS OF AUTHORITY

Re delegations of authority shall be numbered within the Region in a continuing series regardless of the fiscal year. The serial number shall be prefixed by the Roman numeral indicating the Region number. For example, the third delegation of authority issued by the Regional Administrator for Region II would be numbered II-3.

There shall be maintained in each Regional Office a register of re delegations of authority, which shall list the number of each re delegation, the title of the position to which the re delegation is made, the particular function for which authority is re delegated, the effective date, and, when appropriate, the date the re delegation is revoked.

PREREQUISITES TO EXERCISE OF CERTAIN POWERS REDELEGATED

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

REVOCATIONS OF REDELEGATIONS OF AUTHORITY

Revocations of authority re delegated by execution of a Form H-156 shall be made by memorandum captioned "Revocation of Re delegation of Authority" signed by the Regional Administrator.

Revocations of re delegations of authority which have been published in the Federal Register also must be published in the Federal Register and may be prepared either as a separate document in accordance with

Exhibit C or by adding the revocation provision as a final paragraph in a redelegation of the same authority to a different officer or employee.

Revocations of redelegations shall be prepared in the same number of copies as the redelegation and be distributed in accordance with the distribution given the redelegation.

DETAILED INSTRUCTIONS FOR EXECUTION OF FORM H-156

Form H-156 is generally self-explanatory. However, particular attention is invited to the following detailed requirements:

Item 2: The effective date of the redelegation should be the date the form is executed or a later date. It is not contemplated that, in normal circumstances, redelegations of authority will be retroactively effective.

Item 5: Normally, the description of the function to be performed under the redelegation of authority should conform in wording to the language used in the delegation of authority appearing in Part 5, Volume II. In those instances where it is determined that the authority redelegated shall be more limited than the authority delegated therein, the wording should be modified to provide for such limitation.

Item 6: a. Functional authority: This sub-item shall be completed by citing the principal law(s) or regulation(s) providing for performance of the particular function by the head of the Agency. A citation to each such pertinent law or regulation is included in the delegation of authority appearing in Part 5 of Volume II, immediately after the description of the authority delegated.

b. Administrator's authority to delegate and to authorize redelegations: This sub-item cites the Administrator's authority to delegate and to authorize successive redelegations of his functions, powers, and duties.

c. Regional Administrator's authority to redelegate: This sub-item shall be completed by citing the appropriate Section of Part 5 of Volume II.

EXHIBIT A

<p>H-156 (6-53)</p> <p style="text-align: center;">HOUSING AND HOME FINANCE AGENCY OFFICE OF THE ADMINISTRATOR</p> <p style="text-align: center;">REDELEGATION OF AUTHORITY</p>	<p>1. NO. X-1</p> <p>2. EFFECTIVE January 1, 1959</p>
<p>3. TO: (Title of Position) (Region)</p> <p style="text-align: center;">Director, Administrative Management X</p>	
<p>4. FROM: (Title of Position) (Region)</p> <p style="text-align: center;">Regional Administrator X</p>	
<p>5. TO PERFORM THE FOLLOWING FUNCTION:</p> <p style="text-align: center;">Authorize or approve official travel when necessary in connection with Region X activities by employees (excluding yourself) under my administrative jurisdiction, except travel to accomplish transfers of personnel between official stations and travel on an actual subsistence expense basis.</p>	
<p>6. THIS REDELEGATION OF AUTHORITY IS MADE PURSUANT TO THE FOLLOWING:</p> <p>a. <u>Standardized Government Travel Regulations, as amended</u> <small>(Principal law or regulation providing for performance of function by head of agency)</small></p> <p>b. <u>Sec. 502(a), Housing Act of 1948, as amended (12 U.S.C. 1701c)</u> <small>(Administrator's authority to delegate and to authorize redelegations)</small></p> <p>c. <u>Section 5-15-17, Volume II, Manual</u> <small>(Document evidencing my authority to redelegate)</small></p> <p>December 31, 1958 _____ <small>(Date)</small></p> <p style="text-align: right;"><i>M. L. Crawford</i> _____ <small>(Signature of Officer making delegation)</small></p>	

HSPA-HLES, Washington, D. C.

EXHIBIT B

NOTICES

HOUSING AND HOME FINANCE AGENCY

Office of the Administrator

ORGANIZATION DESCRIPTION, INCLUDING DELEGATIONS OF FINAL AUTHORITY

DIRECTOR, ADMINISTRATIVE MANAGEMENT, REGION X (ST. LOUIS)

REDELEGATION OF AUTHORITY TO EXECUTE CERTAIN CONTRACTS AND AGREEMENTS
WITH RESPECT TO ADMINISTRATIVE MATTERS

The Director, Administrative Management, Region X (St. Louis, Housing and Home Finance Agency, is hereby authorized to take the following action with respect to administrative matters within such Region:

Execute contracts and agreements for supplies, equipment, and services (except purely personal services) necessary for the operation and maintenance of field offices in the Region.

(Reorg. Plan No. 3 of 1947, 61 Stat. 954 (1947); 62 Stat. 1283 (1948), as amended by 64 Stat. 80 (1950), 12 U.S.C., 1952 ed. 1701c; Delegation of Authority, effective March 20, 1957, 22 F. R. 1876.)

Effective as of the 1st day of April, 1957^{1/}

M. L. Crawford
Regional Administrator
Region X

¹ When the effective date is the Federal Register publication date, such date shall be inserted in the Regional Office copies upon notification of the date from the Central Office.

EXHIBIT C

NOTICES

HOUSING AND HOME FINANCE AGENCY

Office of the Administrator

ORGANIZATION DESCRIPTION, INCLUDING DELEGATIONS OF FINAL AUTHORITY

REVOCATION OF REDELEGATION OF AUTHORITY TO EXECUTE CERTAIN
CONTRACTS AND AGREEMENTS WITH RESPECT TO ADMINISTRATIVE MATTERS

The redelegation of authority to the Regional Engineer, Region X,
(St. Louis), to execute certain contracts and agreements with respect
to administrative matters, effective March 12, 1957, and published at
22 F. R. 1221 (April 1, 1957), is hereby revoked.

Effective as of the 19th day of April, 1957.^{1/}

M. L. Crawford
Regional Administrator
Region X

¹ When the effective date is the Federal Register publication date, such date shall be inserted in the Regional Office copies upon notification of the date from the Central Office.

Section 3

CORRESPONDENCE PREPARED IN REGIONAL OFFICES

Regional Administrators may authorize the members of the Regional Office staff to sign correspondence relating to their particular functions, subject to such conditions as he may prescribe.

CORRESPONDENCE ADDRESSED TO CENTRAL OFFICE

Correspondence from Regional Offices to the Central Office shall be signed by the Regional Administrator or persons authorized by him to sign such correspondence. Freedom of communication between Regional and Central Office technicians on technical matters should be encouraged.

Regional Offices shall channel their communications to the Central Office in accordance with the pattern set forth below. Unless otherwise indicated in connection with program procedures, the original and one copy shall be sent to the addressee.

- (1) Problems clearly not a primary responsibility of a single Central Office organization unit shall be taken up with the Administrator, the Deputy Administrator, or the Assistant Administrator (Administrator's Office). Wherever timing permits, such problems should continue to be presented in the regular monthly reports of the Regional Administrator to the Administrator.
- (2) Correspondence involving program matters relating primarily to the administration of Community Facilities Administration and Urban Renewal Administration programs shall be addressed to the Commissioners of those constituents.
- (3) Correspondence involving matters relating primarily to the functions of Office of the Administrator organization units, other than the Division of Administration, shall be addressed to the heads of those units.
- (4) Correspondence or documents relating to specific budget, organization, personnel, accounting, general services, travel, audit, or other administrative actions shall be addressed to the head of the appropriate Division of Administration branch. Correspondence relating to general administrative matters or following up on matters previously referred to branches of the Division of Administration shall be addressed to the Assistant Administrator (Administration).

CORRESPONDENCE WITH MEMBERS OF CONGRESS, THE WHITE HOUSE, OR THE HEADS OF OTHER FEDERAL AGENCIES

Referral to Central Office

Except as provided below, communications from Members of Congress, the White House, or the heads of other Federal agencies shall be acknowledged by the Regional Administrator and referred to the Ad-

ministrator. The Regional Administrator shall accompany the referral with a copy of the acknowledgment and a draft of a suggested reply, for the Administrator's signature.

Replies by Regional Office

Regional Administrators may respond directly to requests from Members of Congress or the heads of other Federal agencies for factual data concerning the progress being made on specific applications or on other matters which are the responsibility, of the Regional Office. When such data is not immediately available, the inquiry shall be acknowledged promptly and the information requested furnished as soon as it is available.

However, when the inquiry involves an application or other matter upon which action is pending in the Central Office, the communication should be acknowledged and referred to the head of the constituent concerned for reply. The Regional Administrator shall accompany the referral with a copy of the acknowledgment and a draft of a suggested reply, for the Administrator's signature.

Copies for Central Office

A copy of all incoming and outgoing correspondence with members of Congress or the heads of other Federal agencies shall be transmitted to the head of the constituent or staff unit concerned. A copy of all Congressional correspondence shall also be transmitted to the Congressional Liaison Officer.

Section 4

DISTRIBUTION OF MATERIALS RELATING TO FEDERAL LEGISLATION

The Legislative Reference Unit in the Division of Law obtains and distributes to the Regional Offices publications of the United States Congress, materials prepared by the Housing and Home Finance Agency, and other Executive agencies relating to Federal legislation or Congressional investigations of interest to this Agency. This includes:

- Bills introduced in the United States Congress relating to the Housing Agency and its programs
- Congressional committee reports on legislation or Congressional investigations or studies
- Hearings of committees on bills or investigations
- Public laws (sometimes referred to as "slip laws")
- Summaries of major laws affecting the Housing Agency
- Special compilations of Federal laws under which the Housing Agency operates, such as the Lanham Act, the United States Housing Act of 1937, etc.

The number of copies of each of the above sent to the Regional Offices is frequently varied in accordance with the subject matter and the supply available. The supplies of hearings, committee reports, and prints of bills are usually limited and therefore only a small number is sent to the Regional Offices for the general information of the Regional staff members.

A larger number of public laws, summaries of laws, and compilations of basic statutes of the Agency is made available to the Regional Offices since these can be obtained in larger quantities. Also, Regional Offices need more copies of these materials in their work and to answer public requests for information. Additional copies of such materials can be obtained upon request from the Regional Offices to the Division of Law. Form H-336, *Request for Materials Relating to Federal Legislation* (Exhibit A), will be used for this purpose. When a publication is available in a sufficiently large amount for additional copies to be requested by the Regional Offices, this form will be attached to the initial supply of the publication sent to the Regional Offices.

The "Daily Summary of Congressional and Executive Action of Interest to the Housing and Home Finance Agency" is also prepared and distributed by the Legislative Reference Unit. Copies are sent to each Regional Office. Additional copies can be obtained upon request to the Division of Law.

Form H-336 is stocked by the General Services Branch (see Section 6-1).

EXHIBIT A

H-336
(11-55)

HOUSING AND HOME FINANCE AGENCY
OFFICE OF THE ADMINISTRATOR

REQUEST FOR MATERIALS RELATING TO
FEDERAL LEGISLATION

(Submit in triplicate)

To: Division of Law, Housing and Home Finance Agency,
Washington 25, D. C.

Attention: Legislative Reference Unit

From: Region _____ Signed by _____

Date: _____

Please send additional copies of the following:

NUMBER OF COPIES	NAME OF PUBLICATION, INCLUDING ANY IDENTIFYING NUMBER, SUCH AS PUBLIC LAW NUMBER

Request received by Legislative Reference Unit _____
(Date)

Request filled by _____ on _____
(Name) (Date)

Section 5

**POLICY AND PROCEDURAL MATERIAL PREPARED BY
REGIONAL OFFICES**

Regional Administrators shall send to the Chief, Management Analysis and Procedures Section, Division of Administration, three copies of all policy and procedural material prepared by Regional Offices, including material issued in the past and still current, and future releases as they are issued, falling in the following categories:

- (1) Regional policy and procedures for the guidance of Regional and field office staff, including issuances which supplement material in Volumes IV, V, VI, and VII.
- (2) Regional procedures for the guidance of applicants or participants in HHFA programs, including material supplementing the Local Public Agency Manual and other Central Office releases.
- (3) Guide forms of letters to applicants or program participants.

Copies of this material will be distributed to interested Central Office organization units for their review and, where appropriate, adaptation and release to all Regional Offices.

Part 1. General Administrative Practice

Section 6

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. Each employee who is designated to serve as a notary public in accordance with the provisions of this Section must agree that he will not charge a fee for any notarial service which he may perform either during or outside his hours of employment by the Federal Government.

ALLOWANCE FOR EXPENSES

When the services of an employee are required as a notary public in connection with official business transactions of a Regional 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 \$25.

RECOMMENDATION FOR APPOINTMENT AS NOTARY PUBLIC

Whenever it is determined by the Regional Administrator that the services of a notary public will be required on a recurring basis in connection with official business transactions of the Regional Office, and that such services are not available from an employee who holds a commission as notary public, the Regional Administrator may recommend that a particular employee of the Regional Office be appointed to serve as a notary public.

The recommendation shall be made in a letter addressed to the county clerk or other official responsible for processing applications for appointment as notary public, as may be required by the laws of the particular state. The letter shall contain a statement of the need for notarial services at the location involved, shall set forth the name and office address of the employee who has been asked to apply for appointment as a notary public to meet this need, and request that such employee be furnished the required forms for filing his application, together with information pertaining to the qualification requirements of the state.

A copy of the letter of recommendation shall be furnished to the Administrative Branch for its use in recording the obligation thereby established.

NOTIFICATION OF COMMISSION OR FAILURE TO QUALIFY

When an employee has been commissioned a notary public pursuant to the provisions of this instruction, or has been notified that he did not qualify for appointment, he shall notify the Regional Administrator 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 the Administrative Branch for its use in confirming or liquidating the recorded obligation, as may be appropriate.

REIMBURSEMENT OF EXPENSES INCURRED IN OBTAINING COMMISSION

An employee who is commissioned a notary public for the purpose of facilitating the operations of the Government, pursuant to the provisions of this instruction, 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.

In addition, the following certification shall be typed on the reverse side of the original voucher and executed by the employee:

I hereby certify that I am required to serve as a notary public in connection with the performance of official business for the Housing and Home Finance Agency, that I will not charge or accept any fee for any notarial service performed, and that either upon separation or being relieved from this responsibility I will return the above seal to my supervisor.

Employee

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 Administrative Branch for payment. The memorandum copy shall be retained by the employee for record purposes.

The Administrative Branch will process the voucher for payment by check in the approved amount.

Section 7

REGIONAL OFFICE PROCESSING APPROVALS

Central Office procedural instructions frequently designate the Regional Office official responsible for a particular phase of field processing and require that fulfillment of this responsibility be evidenced by signing a special form or report.

It is not intended in these instances to require that the official so designated personally perform the prescribed review or himself sign the form or report, but rather to indicate that the processing is to be accomplished under his direction and supervision as the principal Regional staff officer responsible for the work in a particular technical or professional area. This follows the general principle that when a supervisory employee is vested with various duties, it is not expected that he personally will perform all of them, but that he will see to it that they are performed, the responsibility being his and he being chargeable with the result.

Thus, in cases where workload or other considerations make such action desirable, the Regional Administrator may authorize the heads of Regional Office staff units to designate, by informal memorandums, members of their staffs to clear specified documents for them. In such instances, the person actually clearing the document should sign his own name and insert before the title of the official for whom he is acting the word "for".

Of course, any designation of a person to clear documents which constitutes a delegation of final authority must be made as a formal delegation and within existing authorizations to redelegate such authority.

Section 8

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.

REGIONAL OFFICE RESPONSIBILITIES

Each Regional Administrator is responsible for the management improvement program within his Regional Office. Regional Administrators shall be assisted in discharging this responsibility by a Management Review Committee composed of top-level officers of the Region. The Regional Administrator or his designee shall be Chairman of the Committee. Each committee shall meet monthly at a stated time and at such additional times as the Chairman determines necessary to accomplish the functions of the Committee.

The objective of the Management Review Committee shall be to have

under intensive study at all times one or more major areas of program 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.

Regional Management Review Committees will be reviewing two types of proposals: (1) suggestions submitted by employees pursuant to Section 2-5-2, and (2) work simplification and other management improvement recommendations resulting from the survey activities of the Committee. Employee suggestions which are eligible for award under the Employee Suggestion Program shall be handled under the procedures set forth in Section 2-5-2. Suggestions made by employees as part of their usual responsibilities, and for which employee suggestion awards may not be made, as well as proposals resulting from the survey activities of the Committee, shall upon approval by the Regional Administrator be forwarded to the constituent unit or OA Division concerned. A copy of each such proposal shall also be furnished to the Deputy Administrator.

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 Management Review Committee in the development and execution of management improvement studies affecting the operations for which they are responsible.

Section 10

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 to the Regional Administrator through the appropriate Regional Director. The memorandum shall be routed for review and concurrence through supervisory channels.

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 for review and concurrence through supervisory channels for recommendation by (1) the appropriate Branch head and (2) the Regional Director of Administration.

Responsibility for final action is vested in the Regional Administrator.

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.

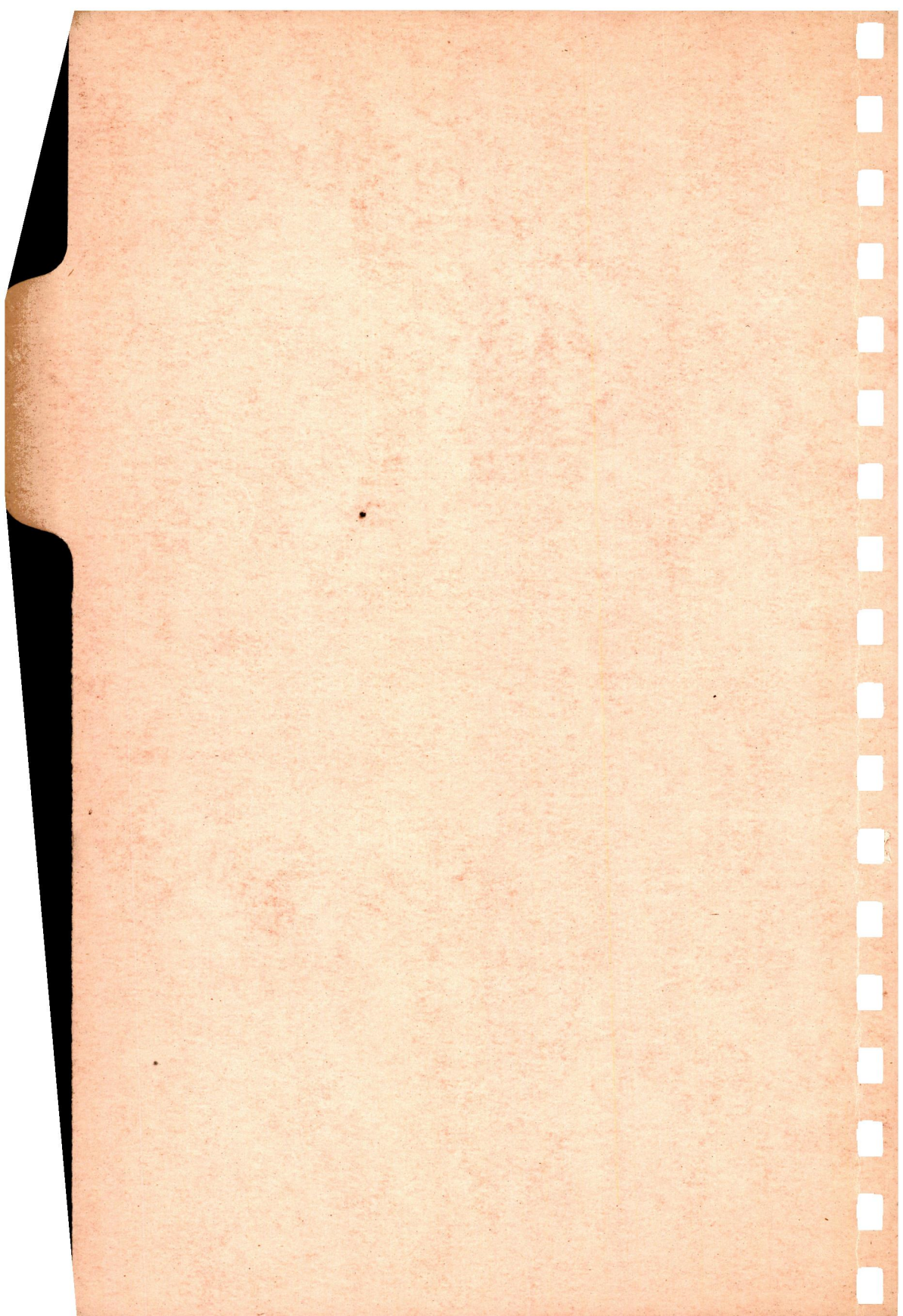
Reports

The Regional Director of Administration 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.

2

PERSONNEL
ADMINISTRATION

2



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 Regional Offices.

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 Regional Office 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 Regional Office 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 addition, 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 willful 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 Regional Administrators 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 in each Region.

Designation of Sensitive Positions

The Security Officer, in consultation with Regional Administrators, is responsible for designating sensitive positions.

When the Security Officer designates a position as sensitive, he shall notify, by memorandum, the Regional Administrator in whose Region 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 Regional Administrator, 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 Regional Administrator in whose Region 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 a Regional Office 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 Regional Administrator 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. (See Section 2-1-6.)

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 Regional Administrator (through the Director of Personnel) or the Director of Personnel should the information first come to his attention, shall advise the Security Officer and shall furnish him with all available information concerning the proposed personnel action. The Director of Personnel shall advise the Security Officer whenever any employee is separated or the re-assignment of a present employee from a non-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 Regional Administrator in whose Region 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 immediately 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, 1953.¹
- (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 informa-

¹ See DCG B-117999, April 21, 1954.

tion developed, (2) the possible access, authorized or unauthorized, of the employee to security information or material, and (3) opportunity, by 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 the Security Officer are in disagreement, individual recommendations 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 personnel 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 any Regional Office, 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 furnish 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 credibility 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 Regional Offices 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 Regional Office 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 Regional Office, 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 Regional Administrator shall immediately advise the Security Officer through the Director of Personnel.

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, recommend 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 Inikai (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

Kibei 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

Maritime Labor Committee to Defend Al Lannon

Mario Morgantini Circle

Maryland Congress Against Discrimination
(See Committee to Abolish Discrimination in Maryland)

Michigan Council for Peace

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 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 Mexicana 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
 Nichiei 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
 Palo 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 Euro-
 pean 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 Croatians
United American Spanish Aid Committee
United Committee of South Slavic Americans
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 Regional Offices.

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 Regional Administrator shall review employment policies and practices within his region 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 the 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 instance shall such an employee or applicant for employment be discouraged from pursuing such formal procedures.

EMPLOYMENT POLICY OFFICER

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.

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.

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.

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.

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

DEPUTY EMPLOYMENT POLICY OFFICERS

Each Regional Administrator and the Director, Northwest Operations, has been designated as Deputy Employment Policy Officer within his respective jurisdiction.

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

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.

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

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 Regional Office or other unit in which the complainant is employed or seeks employment, for appropriate action.

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.

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. When the complainant is an employee of, or seeks employment with, the Urban Renewal Branch or the Community Facilities Branch of the Regional Office, the Deputy Employment Policy Officer shall also transmit a copy of the complaint to the appropriate Deputy Commissioner of URA or CFA.

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

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.

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

After completion of the investigation, the Deputy Employment Policy 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.

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).

If the complainant is an employee of, or seeks employment with, the Urban Renewal Branch or the Community Facilities Branch of the Regional Office, the Deputy Employment Policy Officer shall also transmit a copy of the report to the appropriate Deputy Commissioner of URA or CFA. The report of a successful negotiation shall contain the signed concurrence of the complainant.

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

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 Deputy Employment Policy Officer processing the complaint believes that additional proceedings are necessary in order to clarify the issues. The hearing shall be held by the Deputy Employment Policy 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.

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 *Reports to the President's Committee* (this Section, page 7). If the complainant is an employee of, or seeks employment with, the Urban Renewal Branch or the Community Facilities Branch of the Regional Office, the Deputy Employment Policy Officer shall also transmit a copy of this report to the appropriate Deputy Commissioner of URA or CFA.

FINDINGS AND RECOMMENDATIONS

In all cases, except where a complaint has been settled by negotiation, findings and recommendations shall be prepared by the Deputy Employment Policy Officer processing the complaint. Copies of such findings and recommendations shall be immediately forwarded to the Employment Policy Officer. If the complainant is an employee of, or seeks employment with, the Urban Renewal Branch or the Community Facilities Branch of the Regional Office, the Deputy Employment Policy Officer shall also transmit a copy of the findings and recommendations to the appropriate Deputy Commissioner of URA or CFA.

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

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.

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.

Where the complainant is an employee of, or seeks employment with, the Urban Renewal Branch or the Community Facilities Branch of the Regional Office, a copy of the final decision will be furnished to the appropriate Deputy Commissioner of URA or CFA.

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.

DISTRIBUTION OF FORMS

A copy of the *HHFA Policies and Procedures on Equal Employment Opportunity* shall be (a) distributed to each employee in the Regional Office, and (b) included in Employee Information Kits for the orientation of new employees.

On all employee bulletin boards, including those used to announce Federal Examinations and job opportunities in the Regional Offices, 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 for the region (or Northwest Operations, as the case may be). In offices geographically separated from the Regional Office, the Regional Administrator, or the

Director, Northwest Operations, as the case may be, shall be shown as the nearest Deputy Employment Policy Officer with whom a complaint may be filed.

REQUISITIONING AND STOCKING OF FORMS

A supply of (a) Form EEO-F-2, *Complaint Form*, (b) copies of the *HHFA Policies and Procedures on Equal Employment Opportunity*, and (c) the poster announcing the *HHFA Policies and Procedures on Equal Employment Opportunity*, shall be stocked in each Regional Office, and furnished to its field offices as well as to other OA offices within the regional boundaries, including compliance, audit, and VHMCP offices.

Supplies of (a), (b) and (c) above shall be requisitioned through the usual administrative channels.

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 HHFA Regional Offices (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 2-1-12); 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 2-4-5).

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 employee¹ 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.¹

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;
2. Take into consideration the employee's viewpoint, the viewpoints

¹ 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.

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 Regional Director of Administration

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 Regional Director of Administration 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>	<u>Grievance Review Officer :</u>
Employees reporting <i>directly</i> to the Administrator, the Deputy Administrator, or the Regional Administrator	Administrator
Employees reporting <i>directly</i> to a Regional Director (or Regional Counsel)	Regional Administrator
Other Regional Office employees	Appropriate Regional Director (or Regional Counsel)

Employee's Written Presentation

The grievance must be submitted in writing, with copies to the Regional Director of Administration (except when the Administrator is

the grievance review officer), and 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 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. Such notification shall be the responsibility of the Regional Director of Administration, except when the Administrator is the grievance review officer, in which case such notification shall be the responsibility of the Director of Personnel.

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, and the Director of Personnel.

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 Regional Director of Administration (except when the Administrator is the grievance review officer), 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 a 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 Regional Director of Administration (except when the Administrator is the grievance review officer), 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 Regional Director of Administration, except when the Administrator is the grievance review officer, in which case the Director of Personnel shall be the recipient.

The recipient 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

PERSONNEL RECORDS IN THE REGIONAL OFFICES

Basic personnel records kept in the Regional Office will be as follows:

- (1) *Service Control File* consisting of *Service Record Cards*, SF7, and *Position Identification Strips*, SF 7d, for employees appointed by the Regional Office combined with *Employee Record File*, consisting of *Position Identification Strip*, SF 7d, and *Employee Record Card*, Optimal Form 4b, for employees appointed by Central Office.
- (2) *Position Description File*, for all positions.
- (3) *Official Personnel Folder*, for employees appointed by Regional Office, or *Regional Employee File*, for employees appointed by Central Office.
- (4) *Chronological File of Notification of Personnel Action* for employees appointed by Regional Office.
- (5) *Applicant Supply File*.

THE SERVICE CONTROL FILE

The Service Control File and the Employee Record File should be combined in one visible pocket type record. The record is made up of the *Position Identification Strip* for each established position together with the *Employee Record Card* for employees in positions for which the Central Office retains appointing authority or the *Service Record Card* for employees in positions for which the Region has been delegated appointing authority.

Divider cards shall be used to identify established organizational levels. Like organization entities may be headed by cards of one color, another a second color, etc.

The combined file should be used as a 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 *Request for Personnel Action*, SF 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 the blank *Position Identification Strip* when a position is to be established.

Position Identification Strip

A *Position Identification Strip*, Standard Form 7d, shall be prepared for each allocated position showing the position title, number, service, and grade. Usual abbreviations should be used for position titles to permit insertion in the space provided. (See Exhibits A and B.)

The strips shall be filed in the following manner:

- (1) By organizational unit (branch or field station)
- (2) Within each organization 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 canceled.

Blank *Position Identification Strips* may be used to indicate the ceiling available for the establishment of positions. By using colored strips, established positions for which there is no budget approval may be distinguished from vacant budgeted established positions.

Service Record Card

The *Service Record Card*, Standard Form 7, Exhibit A, is the card file maintained by the Agency office having appointing authority. It should be prepared initially on the typewriter from the SF 50, *Notification of Personnel Action*, and other personnel documents. The card must be kept current by pen-and-ink entries. Follow-up dates and other non-permanent entries should be entered in pencil.

Employee Record Card

The *Employee Record Card*, Optional Form 4b, Exhibit B, is intended for use 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 *Employee Record Card* is maintained on all employees for which the Central Office retains appointing authority.

The card should be prepared initially in Regional Offices from SF 50 and data obtained at the time of entrance on duty. Subsequent entries should be handwritten in ink from the employee's or payroll copy of SF 50; *Payroll Change Slip*, SF 1126; and *Notices of Performance Rating*, Form H-117. The card is filed by inserting it in the appropriate *Position Identification Strip* pocket.

Employee Record Cards for transferred employees should be transmitted to the other office. When an employee leaves the Agency, the card may be destroyed.

POSITION DESCRIPTION FILE

Two files of position descriptions should be maintained—an active file and a file of canceled job sheets.

The active position description file should contain:

- (1) The signed, ribbon copies (Optional Form 8) of all job sheets classified in the Regional Office.

- (2) The signed duplicates (Office Copies—Optional Form 8) of all Regional Office job sheets classified in the Central Office.
- (3) Such extra carbon copies of position descriptions as are maintained for use in processing personnel actions. The carbon copies may be filed directly behind the original Optional Form 8.

The job sheets in the active file must be arranged by organization units; and within each organization unit, by grade, from highest to lowest.

When a position becomes obsolete because of organization, program, or other change or is superseded by a new position, the position description should be withdrawn from the active file, and noted as to the month and year in which it is withdrawn. One copy only of the Optional Form 8 should then be placed in the canceled position file.

The copies in the canceled file must be arranged by classification series; and within each series by grade, from highest to lowest. The canceled file may be disposed of in accordance with the established procedures for the disposal of Federal personnel records.

The Division of Personnel should be notified of the cancellation of each position at the time it is withdrawn from the active file.

REGIONAL EMPLOYEE FILE

The Regional Employee File is maintained on all employees in positions for which the Central Office retains appointing authority. Original incoming correspondence relating to a Regional employee and copies of any outgoing correspondence which is not addressed to the Central Office, shall be forwarded promptly to the Central Office Division of Personnel for inclusion in the employee's Official Personnel Folder.

Although the establishment of a duplicate Official Personnel Folder is specifically precluded by regulations and OA policy, it is necessary that a temporary folder for each Regional employee be established. There is, for instance, a definite need for a more detailed qualification record than the *Employee Record Card* provides, and there must be an alphabetically arranged filing system for keeping copies of memorandums and other correspondence affecting the employee.

The Regional Employee File should contain:

- (1) A reasonably current *Application for Employment*, SF 57.
- (2) Copies of correspondence relating to the employee.

This file should not contain copies of documents and other materials to be kept in the Official Personnel Folder. No attempt should be made to have this file reflect the employee's current status and thereby duplicate the Employee Record File.

For new employees, a current SF 57 and copies of appointment correspondence will constitute the initial file. Employees should be given an opportunity to keep their SF 57's current by submission of SF 58, *Experience and Qualification Sheet*.

The right side of the folder should be reserved for the SF 57 and such other qualifications information as individual training and education records. The left side of the folder should contain all copies of correspondence affecting the employee, filed chronologically.

The Regional Employee File will be maintained alphabetically, and shall be kept in the same area with the Official Personnel Folders of employees in positions for which the Region has approving authority. The folder contents will be destroyed whenever the employee leaves the Office of the Administrator.

OFFICIAL PERSONNEL FOLDER

Location of Official Personnel Folder

An Official Personnel Folder for each employee of the Agency will be maintained by the office responsible for journalizing personnel actions affecting him. Such offices are responsible for requesting folders of employees transferred to positions for which they journalize personnel actions, forwarding folders on proper request, and controlling all folders in their custody.

Requesting Official Personnel Folders

Whenever an agency hires a person who is serving or who has served in the executive branch of the Federal Government, the employing agency must request the Official Personnel Folder covering his prior service in accordance with instructions given in Chapter R-1 of the Federal Personnel Manual which are summarized below:

Appointees Currently Federally Employed—Folders of appointees currently employed in the Federal Government are requested by sending the releasing agency a copy of the SF 50 recording the action and indicating the effective date. The SF 50 should show the bureau or office and the location in which the employee formerly worked, and also indicate the exact address and designation of the personnel office in the employing agency to which the folder should be sent.

Former Federal Employees—If a former Federal employee has been separated one year or more, request the folder from the Federal Records Center, St. Louis 3, Missouri, using SF 127, *Request for Personnel Folder*, in duplicate and sending both copies to the Records Center.

If a former Federal employee has been separated less than one year, submit the request to the last employing agency, using the SF 50 as described above for currently employed persons.

Defense Department Employees—Personnel folders of former Defense Department employees who have been separated less than 30 days should be requested from the appropriate employing agency. Personnel folders of former Defense Department employees who have been separated 30 days or more should be requested from the Federal Records Center, St. Louis, Missouri.

Constituent Agency Employees—The personnel folders of employees transferring from one agency to another within the Housing and Home Finance Agency should be transferred by the same procedures followed in dealing with outside agencies.

Consolidation and Standardization of Contents of Folders

Folders which are transferred to and received from other agencies, folders which are transferred between organizations of this Agency, and

new folders which are established shall be made to conform to Civil Service requirements and provisions of this Section with respect to type, content, and arrangement.

CONFIDENTIAL FILE

Material to be filed in a Confidential File

Papers which, in most cases, have no immediate relation to the employee's suitability for employment, work performance or service record, but which (a) contain substantiated information concerning personal affairs of the employee of sufficient importance or gravity to warrant retention and (b) in the best interest of the employee should not be available for inspection by anyone not officially concerned with their content, shall be filed in a confidential file under the name of the employee to whom they pertain. Personal debt correspondence falls into this category. Official action documents containing derogatory information such as letters of charges must, however, be filed in the Official Personnel Folder.

Maintenance of Confidential File

The confidential file of an employee shall be maintained at the same location as his Official Personnel Folder, in an alphabetical name file separate and apart from his Official Personnel Folder. Confidential files should be kept in locked cabinets.

DETERMINING DISPOSITION OF MATERIAL

It is difficult to make any hard and fast rules for determining what material should go into the Official Personnel Folder, what should go into the confidential file, and what should not be filed at all. In many cases, it is more a matter of judgment on the part of the person making the determination than anything else. When material, other than reference checks, contains information unfavorable to any employee, if it is possible and seems feasible to do so, the information should be discussed with the employee to give him an opportunity to put on record any statement he wishes to make about it. Following is a partial list of various kinds of personnel material which are received and the disposition which should be made of them. Using this list and the criteria above as a guide, the determination of what disposition should be made of other kinds of papers received in the personnel office should present no great problem. The listing is meant only to indicate the disposition of the material and there is no intention of indicating the administrative disposition of the matter. For purpose of clarification and ease of reference some of the records listed in the table in R-1 of the Federal Personnel Manual are included in this list.

Material	Disposition
(1) All letters of reference and responses to inquiries. ¹	Temporary side—Official Personnel Folder
(2) All records of personal contacts with personal references and/or former employers. ¹	Temporary side—Official Personnel Folder

¹ Except those that are part of a Civil Service Examination, which must be filed on the permanent side; note also that the "Notice of final result of character investigation" is listed in the table for filing on the permanent side of the folder.

Material	Disposition
(3) All records of qualification and character investigations. ¹	Temporary side—Official Personnel Folder
(4) Civil Service examination papers (including application to which attached, and confidential questionnaires.)	Permanent side—Official Personnel Folder
(5) All outside correspondence and communications concerning the employee — endorsements, criticisms, inquiries, and replies.	Temporary side—Official Personnel Folder
<p style="text-align: center;">Except</p> Correspondence and communications concerning the employee which contain information of a strictly personal nature as for instance, the domestic affairs of the employee—information which has no bearing on the employee's suitability for employment or effect on his service record.	Confidential File, if deemed of importance enough to be kept at all—otherwise dispose of
(6) Official letters of commendation or reprimand. (All such letters transferred from other agencies will be considered "official" and filed in accordance with page R-1-36 of the Federal Personnel Manual.)	Permanent side—Official Personnel Folder
(7) Anonymous letters.	Do not file, dispose of
(8) All personal debt correspondence.	Confidential file
(9) All records of interviews containing information of a strictly personal nature concerning the employee.	Dispose of as soon as they have served their purpose
(10) SF 52's or letters or memorandums recommending and stating reasons for disciplinary action, suspension, or removal.	Permanent side—Official Personnel Folder
<p style="text-align: center;">If officially approved by the appointing authority or someone specifically designated to act for him.</p>	Confidential File
(11) SF 1126d, <i>Payroll Change Slip</i> for action that has been effected where instructions require retention.	Permanent side—Official Personnel Folder
(12) All papers relating to grievances.	Confidential File

¹ Except those that are part of a Civil Service Examination, which must be filed on the permanent side; note also that the "Notice of final result of character investigation" is listed in the table for filing on the permanent side of the folder.

Material	Disposition
(13) Deferment and draft correspondence.	Temporary side—Official Personnel Folder
(14) Police records.	Confidential File
(15) Letters transmitting official documents.	Dispose of; no official value
(16) Other internal correspondence about employees, such as wires or letters stating EOD dates, about leave, offers of positions, setting of salary, eligibility for periodic step increases, eligibility for promotion, concurrence of supervisor with proposed personnel action, and discussion of qualifications for a given position.	Temporary side—Official Personnel Folder

INSPECTION OF PERSONNEL FILES

Officers who have custody of personnel folders are responsible for taking such measures and issuing such instructions as may be necessary to insure their security and privacy, including the development and maintenance, where necessary, of lists of persons authorized to use personnel folders on a charge-out basis.

Inspection of Official Personnel Folders by Officials

Official Personnel Folders may be made available on a charge-out basis to officials of the Agency who have responsibility for initiating or approving personnel actions, or who have responsibility for preparation or certification of payrolls. Officials of the Civil Service Commission, the General Accounting Office, the Federal Bureau of Investigation, or other executive agencies who have need for information in an employee's Official Personnel Folder, may be permitted to inspect the folder in the office where it is located. An exception to this latter rule may be made for HHFA constituents, to which employee files may, if appropriate, be forwarded from the Regional Office.

The OA Divisions of Audit and Compliance shall also have access to employees Official Personnel Folder whenever such access is directly connected with and necessary to an audit, investigation, or other divisional responsibility. Whenever a substantial number of files are to be used, the file will be inspected in the Office in which the files are located.

Inspection of Official Personnel Folders by Employees

Free and complete access to one's own personnel folder is not a matter of right. However, an employee may be permitted to inspect his own folder if the person in charge of the personnel office or a higher official determines that he has reasonable need for doing so.

He shall be permitted to inspect his own folder only in the presence of a responsible duly designated administrative officer. Before any

employee is given his folder to inspect, the person who witnesses the inspection will examine the folder and remove from it any papers, such as pre-employment reference checks, secured with the understanding that their contents would be considered confidential. No employee shall be permitted to take any material out of his folder, but he may be permitted to make copies of any papers he is shown.

Inspection of Confidential Files

In general, the person in charge of the personnel office or someone specifically designated by him at a location where personnel files are located, should be the only one who has access to confidential files. Employees may not be permitted to see their confidential files. Officials of other agencies who are permitted to inspect them shall do so in the office where they are located. In those cases where the use of confidential material is required in the Agency, but outside of the immediate office where the files are kept, delivery should be made by the person who has charge of it or by an administrative superior. When this is not practicable, the material may be sent to an appropriate official of the Agency in a separate sealed envelope, with the notation that it may not be forwarded to another person without prior clearance with the person responsible for its permanent custody. The envelope should carry the instructions "to be opened by addressee only."

Request for Information on Employees—Non-Federal Inquiries

Telephone Requests

The Agency will not normally furnish telephonic information concerning an employee beyond confirming his employment and giving his title. Salary information shall not be given on the telephone, except, that in the case of credit check requests, confirmation of salary information that the employee has already given on his application for credit can be given.

When a telephone inquiry for additional information is requested, the requester should be told the extent of the information that will be furnished on the telephone and that a reply will be made to legitimate requests for additional information if they are made in writing.

Written Requests

The Regional Office will comply with written requests for information beyond that normally furnished on a telephone request under the following conditions:

- (1) The request must give a legitimate reason for needing the information.
- (2) The information requested are matters of record. Information will not be given concerning a personnel action request which has not yet had final administrative approval.

Generally a copy of the Regional reply will be furnished to the employee unless the inquiry also alleges malfeasance in offices, improper employee conduct or indicates other derogatory information which requires a security investigation or other administrative action.

REQUESTS FOR INFORMATION ON FORMER EMPLOYEES

Although requests for specific information concerning work history of former employees whose folders have been transferred are to be sent to the office or agency to which the folder was transferred, supervisors and others may answer requests for their personal evaluations of a former employee's qualifications or performance of which they have personal knowledge. Unofficial folders or other records shall not be maintained for the purpose of answering such inquiries. The Federal Records Center in St. Louis will make direct replies to inquiries received by it from Federal agencies. HHFA policy is to send to the Center for reply all inquiries regarding former employees whose Official Personnel Folders have been transferred to the Center. However, inquiries may be answered by the Agency if a significant reply can be made easily from information on the inactive Service Record Card.

Inactive personnel folders in the custody of the Federal Records Center may be requested by officials with delegated appointing authority or the offices which process personnel actions for them. Upon employment of a former Federal employee the personnel office should request his inactive records from the Records Center unless his employment history indicates employment so recent that his records would still be in the custody of his last previous employing agency.

CHRONOLOGICAL FILE

Instructions for maintaining the chronological file of Notifications of Personnel Actions are included in Section 2-1-9.

TRANSFER OF PERSONNEL FOLDERS

General instructions on procedures to be followed in transferring personnel folders are outlined in Federal Personnel Manual Chapter R-1. The following information, on records of employees appointed by the Regional Office, supplements these instructions.

Transfers Between Regions or Between Regions and Central Office

Official Personnel Folders of employees moved within the Agency are not to be purged. Transfer both sides of the folder.

Promotions or Demotions Above or Below GS-12

The personnel folder of an employee transferred to the Central Office or promoted from GS-12 to a higher grade must be forwarded to the Central Office. In case of a promotion request to GS-13, the Official Personnel Folder must accompany the SF 52 to the Central Office for clearance. Both the permanent and the temporary sides of the folder, along with the SF 7 for the employee, should be transferred.

The folder and SF 7 of any employee transferred from the Central Office at GS-12 or below or of any field office employee reduced in grade to GS-12 or below will be forwarded from the Central Office to the appropriate Regional Office.

Official Folders of Housing Interns, Student Assistants and Student Trainees are maintained in the Central Office regardless of grade.

Transfers Outside the Agency or to Constituent Agency

Whenever another agency requests the folder of an HHFA employee who is transferring, only the material filed on the permanent side of the folder should be transferred. Enter on the *Service Record Card*, SF 7, the name and location of the agency to which the folder is being transferred and the date of the transfer.

Separations Other Than Transfers

The personnel folder of any employee leaving the Federal service should be held in the Regional Office for one year before sending it to the Federal Records Center.

Notification of Security Officer on Transfers and Separations

Whenever an HHFA employee leaves the Agency for any reason, the OA Security Officer must be notified. A form memorandum which should be forwarded in duplicate, is used for this purpose. This form should be reproduced locally (see Exhibit C).

Before the personnel folder of an employee may be transferred to another Agency, a reply must be received from the Security Office indicating that there is no investigation file or that the investigation file of the employee has been forwarded to the Civil Service Commission. A copy of this reply must be placed on the permanent side of the folder.

APPLICANT SUPPLY

In filling competitive positions for which there are no adequate civil service registers of eligibles and no qualified former employees on the Reemployment Priority List, selections for temporary appointment shall be made, when authorized by the Civil Service Commission, from the applicant supply maintained in the Regional Office in accordance with Section 3 of Chapter X-1, FPM. Selections shall be made from the applicant supply in accordance with the priorities prescribed in Chapter X-1, FPM.

Basic Procedure and Records**Recruiting List**

A *Recruiting List* (Exhibit D), shall be established and kept current. It shall contain titles of positions at all grade levels for which applicants are being accepted and for which there are no adequate civil service registers of eligibles. It shall not be limited to positions at grade levels for which the Regional Administrator has appointing authority. The list shall show both the opening date for acceptance of applications for each position and the closing date, which is the date a selection is made for a particular position. Recruiting lists shall be maintained in a binder during the period between Civil Service Commission inspections.

Rating of Applications

An *Application for Federal Employment*, Standard Form 57, for a position on the Recruiting List, shall be processed into the applicant supply as follows:

- (1) The applicant shall show on SF-57 the title of the position or positions for which application is made.
- (2) Each SF-57 shall be filed in an *Applicant Folder*, which shall be filed alphabetically by name.
- (3) The date of receipt of the application and the priority group of the applicant shall be inserted in ink in the box stamped on the upper right-hand corner of the *Applicant Folder*, (see Exhibit E).
- (4) A determination as to applicant's qualifications shall be made within five working days of receipt of the SF-57, and the date the determination is made shall be inserted in ink on the *Applicant Folder* on the line marked "Coded."
- (5) *Applicant Code Card*, Form H-133 (Exhibit F) shall be completed for each application accepted for the applicant supply. If the applicant is applying for more than one position, Form H-133A shall be completed for each secondary qualification. Applicant Code Cards shall be filed by occupational area and further subdivided by grade and priority group.
- (6) If any qualification standards, other than those specified in Civil Service Commission Handbook X-118, are used in determining an applicant's qualifications, they shall be identified under "Remarks" on the reverse side of the *Applicant Code Card*.

Selections from the Applicant Supply

When selections are made from the applicant supply, a *Certificate for Temporary Appointment*, Form H-833, (Exhibit G) shall be completed, in duplicate, showing the order in which the applicants were considered. One copy of the certificate shall be filed in the official personnel folder of the applicant selected and the other copy shall be filed with the Recruiting List. The *Applicant Code Card* of the applicant selected shall be destroyed.

EXHIBIT A

STANDARD FORM 7 (REV. FEB. JULY 1953) PRESCRIBED BY CIVIL SERVICE COMMISSION FEDERAL PERSONNEL MANUAL						
SERVICE RECORD CARD						
1. FEDERAL EMPLOYMENT RECORD						
(a) NATURE OF ACTION	(b) EFFECTIVE DATE	(c) POSITION, TITLE, AND NO.	(d) SCHEDULE, SERIES NO., AND GRADE	(e) SALARY OR PAY RATE	(f) ORGANIZATION, HEADQUARTERS, AND LOCATION	
Career Conditional Appointment	7/22/58	Clerk (Typing) CR-22	GS-301-2	\$3255.00	Reg. IV. Admin. Br. Chicago, Ill.	

2. DATE OF BIRTH MONTH-DAY-YEAR 6-20-32	3. SEX MALE FEMALE X	4.	5. U. S. CITIZENSHIP CITIZEN NONCITIZEN X	6. COMP. STAT. YES NO X	7. RETIREMENT COVERAGE GSC FICA OTHER NONE X	8. VETERAN PREFERENCE NONE 5-PT. 10-PT. X	9. PHYSICAL IMPAIRMENTS	10.
11. ADDITIONAL INFORMATION AND REMARKS Substantially continuous creditable service began 7/22/58 Probationary period began 7/22/58								
12. RETENTION SUBGROUP II-A	13. SERV. COMP. DATE MONTH-DAY-YEAR 7/22/56	14.						
15. PERFORMANCE RATINGS								
RATING AND DATE Entrance-Ext.	RATING AND DATE	RATING AND DATE	RATING AND DATE	RATING AND DATE	RATING AND DATE	RATING AND DATE	16.	

1. FEDERAL EMPLOYMENT RECORD-CONTINUED						
(a) NATURE OF ACTION	(b) EFFECTIVE DATE	(c) POSITION, TITLE, AND NO.	(d) SCHEDULE, SERIES NO., AND GRADE	(e) SALARY OR PAY RATE	(f) ORGANIZATION, HEADQUARTERS, AND LOCATION	

16. FOLLOW-UP DATES						
(a) STEP INCREASE DUE	(b)	(c)	(d)			
M	Smith, Joseph		X X X X	18. POSITION TITLE AND NO. SERIES GRADE Clerk (Typing) • CR-22 301 GS-2		

STANDARD FORM 7D
PRESCRIBED JULY 1958
BY CIVIL SERVICE COMMISSION
FEDERAL PERSONNEL MANUAL
CHAPTER IV

POSITION IDENTIFICATION STRIP

18-20512-9

EXHIBIT B

17 NATURE OF ACTION	18 EFFECTIVE DATE	19 POSITION TITLE AND NUMBER	20 GRADE AND SALARY OR GROUP	21 ORGANIZATIONAL DESIGNATION AND OFFICIAL STATION
Career Conditional Appointment	7-22-57	Site Rep. (General) N-215	GS-301-12, \$7570	Reg. I Urb. Ren., Site Rep. Staff, New York
Reassignment	5-18-58	Site Rep. (Gen.) N-221	GS-301-12, \$7570	Reg. I. Eng. Bk. New York
Fed. Employee Act.	1-12-58	No change	No change - \$8330.00	No change
Proc. Act of 6-20-58 Promotion	8-10-58	Site Rep. (Gen.) N-229	GS-301-13, \$9820.00	Reg. I Eng. Bk. New York

U.S. CIVIL SERVICE COMMISSION July 1958
EMPLOYEE RECORD CARD
16-2000-1 U. S. GOVERNMENT PRINTING OFFICE

16. REMARKS (ADDITIONAL REMARKS OR INVERSE SIDE OF CARD)
Substantially continuous creditable service begins 7-22-57
Probationary period begins 7-22-57
Covered by FEGLI

15. TRAINING, SKILLS, AND EDUCATION

13. EFFICIENCY RATINGS						14. IN-SERVICE TRAINING		
DATE	TYPE	RATING	DATE	TYPE	RATING	DATE	COURSE	REMARKS

17. PHYSICAL IMPAIRMENT
18. RACE

19. EMERGENCY ADDRESS (LAST, ADDRESS, TELEPHONE NO.)
Mrs. Helen Hannigan (wife), 444 Riverton Street

7. ADDRESS CHANGE	TEL. CHANGE	8. MARITAL STATUS M	9. CSC STATUS CC
4. HOME ADDRESS 444 Riverton Street	TEL. NO. WO-6-6184	5. DATE OF BIRTH 1-10-1898	6. VETERAN'S PREFERENCE 5 pt.
1. LAST NAME—FIRST NAME—MIDDLE INITIAL Hannigan, Paul Leo (Sr.)	2. POSITION TITLE	3. GRADE AND SALARY OR GROUP	

POSITION TITLE AND NO. Site Rep. (Gen.) N-229	SERIES 301	GRADE GS-13
--	---------------	----------------

1. LAST STANDARD FORM 7D
PRESCRIBED JULY 1949
BY CIVIL SERVICE COMMISSION
FEDERAL PERSONNEL MANUAL
CHAPTER 61

POSITION IDENTIFICATION STRIP

16-6932-9 GPO

EXHIBIT C

OFFICE MEMORANDUM

TO: Lester P. Condon, Security Officer
FROM: Director, Administrative Management, Region ___
SUBJECT: Separation of _____ - (DOB _____)

The employee named above was separated from the Housing and Home Finance Agency, _____ on _____. Reason _____.

Director, Administrative Management

TO: Director, Administrative Management, Region ___
FROM: Lester P. Condon, Security Officer
SUBJECT: Forwarding of Investigation Reports to Civil Service Commission

In accordance with Chapter 1-2, Federal Personnel Manual, the following disposition has been made of the investigation file for the above named employee:

- No investigation file
The investigation file of the employee named above has been forwarded to:

U. S. Civil Service Commission
Investigations Division
Washington 25, D. C.

Please place a copy of this notice in the employee's Official Personnel Folder.

Security Officer

EXHIBIT D

HOUSING AND HOME FINANCE AGENCY
OFFICE OF THE ADMINISTRATOR

RECRUITING LIST
FOR
APPLICANT SUPPLY FILE

Position Title	Series and Grade	Opening Date	Closing Date	Remarks
Investigator	GS-1811-12	3/15/60	4/15/60	John Jones selected
Auditor	GS-510-11	3/25/60		
Secretary	GS-318-4	3/1/60		
City Planner				
Engineer				

EXHIBIT E

Date	Rec'd 12/1/59		
Stat	<input checked="" type="checkbox"/>	Non-Stat	<input type="checkbox"/>
Vet	<input checked="" type="checkbox"/>	Non-Vet	<input type="checkbox"/>
Group	II		
Series	1811	Grade	12

Coded	589	12/3/59	

EXHIBIT F

HHFA - OA	APPLICANT CODE CARD	PRIORITY GROUP: <input type="checkbox"/> I <input type="checkbox"/> II <input type="checkbox"/> III	N-133 (4-61)
<p>GS-000 MISCELLANEOUS OCCUPATION</p> <p>Infor. & Ed. Series <input type="checkbox"/> 010 5-15</p> <p>Urban Planning <input type="checkbox"/> 020 7-15</p> <p>GS-100 SOC. SC. PSY. & VEL.</p> <p>Social Science <input type="checkbox"/> 101 5-15</p> <p>Gen. Economics <input type="checkbox"/> 110 5-15</p> <p>Bus. Econ.(inc.Hous.) <input type="checkbox"/> 111 5-15</p> <p>Fin. & Fin. Econ. <input type="checkbox"/> 113 5-15</p> <p>GS-200 PERS. ADM. & IND. REL.</p> <p>Personnel Adm. <input type="checkbox"/> 201 11-15</p> <p>GS-300 GEN. ADM., CL. & OF. SERV.</p> <p>Gen. Cl. & Admin. <input type="checkbox"/> 301 5-15</p> <p>Messenger <input type="checkbox"/> 302</p> <p>Mail and Files <input type="checkbox"/> 305 2-9</p> <p>Cl. Steno. <input type="checkbox"/> 312 2-7</p> <p>Clerk-Typist <input type="checkbox"/> 322 2-5</p> <p>Management Analysis <input type="checkbox"/> 343 5-15</p> <p>Management Technician <input type="checkbox"/> 344 5-15</p> <p>Book. Mach. Oper. <input type="checkbox"/> 354 2-3</p>	<p>GS-500 ACCT. & BUDGET</p> <p>Gen. Acct., Cl. & Admin. <input type="checkbox"/> 501 2-15</p> <p>Acct. <input type="checkbox"/> 510 7-15</p> <p>Auditors <input type="checkbox"/> 510A 7-15</p> <p>Accounting Tech. <input type="checkbox"/> 525 5-9</p> <p>Voucher Exam. <input type="checkbox"/> 540 2-7</p> <p>Time, Lv. & Payroll <input type="checkbox"/> 544 2-6</p> <p>Budget Admin. <input type="checkbox"/> 560 5-15</p> <p>GS-800 ENGINEERING</p> <p>Materials Engr. <input type="checkbox"/> 806 5-15</p> <p>Arch. Engr. <input type="checkbox"/> 808 5-15</p> <p>Civil Engr. <input type="checkbox"/> 810 5-15</p> <p>Const. Engr. <input type="checkbox"/> 811 5-15</p> <p>Struct. Engr. <input type="checkbox"/> 812 5-15</p> <p>GS-900 LEGAL & KINDRED</p> <p>General Attorney <input type="checkbox"/> 905 5-15</p> <p>Legal Inst. Exam. <input type="checkbox"/> 963 5-13</p> <p>Leg. Cler.-Adm. <input type="checkbox"/> 986 5-13</p> <p>GS-1000 FINE & APPLIED ARTS</p> <p>Illustrating <input type="checkbox"/> 1020 5-13</p> <p>Architecture <input type="checkbox"/> 1040 5-15</p>	<p>GS-1100 BUSINESS & INDUSTRY</p> <p>Contract & Proc. <input type="checkbox"/> 1102 5-13</p> <p>Public Util. <input type="checkbox"/> 1130 11-15</p> <p>Com.-Ind. Analyst <input type="checkbox"/> 1151 5-15</p> <p>Gen. Finance <input type="checkbox"/> 1160 5-15</p> <p>Loan Examining <input type="checkbox"/> 1165 5-15</p> <p>Appr. & Assessing <input type="checkbox"/> 1171 5-15</p> <p>Realty Acq. & Disp. <input type="checkbox"/> 1172 5-15</p> <p>GS-1400 LIBRARY & ARCHIVES</p> <p>Lib. Series <input type="checkbox"/> 1410 5-13</p> <p>Archives <input type="checkbox"/> 1420 5-13</p> <p>GS-1500 MATH. & STAT.</p> <p>Statistics <input type="checkbox"/> 1530 5-15</p> <p>Stat. Cler. & Adm. <input type="checkbox"/> 1531 3-9</p> <p>Stat. Draft <input type="checkbox"/> 1533 3-6</p> <p>GS-1600 CONSTRUCTION</p> <p>Const. & Maint. <input type="checkbox"/> 1640 7-13</p> <p>GS-1800 INVESTIGATION</p> <p>Gen. Invest. <input type="checkbox"/> 1810 7-15</p> <p>Crim. Invest. <input type="checkbox"/> 1811 7-15</p> <p>GS-2000 SUPPLY</p> <p>Prop. & Sup. Of. <input type="checkbox"/> 2001 7-12</p> <p>Proc. Series <input type="checkbox"/> 2020 3-9</p> <p>Prop. & Stock Con. <input type="checkbox"/> 2040 3-6</p> <p>Print. & Pub. <input type="checkbox"/> 2090 3-12</p>	
Name _____ <input type="checkbox"/> SV <input type="checkbox"/> SNV <input type="checkbox"/> NSV <input type="checkbox"/> NSNV			
Date received _____ Date coded _____			

EXHIBIT F (Page 2)

Year Born _____ Present Location _____ Minimum Salary \$ _____ (Year)
(City) (State)

Job Preference _____

Acceptable Locations:

Anywhere in U.S. New England Mid Atlantic South East North Central

Washington only Mid West South West North West West Coast

Other restrictions

REMARKS: _____

EXHIBIT G

HOUSING AND HOME FINANCE AGENCY OFFICE OF THE ADMINISTRATOR CERTIFICATION FOR TEMPORARY APPOINTMENT					H-855 (4-61)
			DATE OF CERTIFICATE	SF 52 NUMBER	
TITLE, SERIES, AND GRADE					
ORGANIZATIONAL UNIT					
SOURCE OF ELIGIBLES: <input type="checkbox"/> CSC Register <input type="checkbox"/> Applicant Files <input type="checkbox"/> Employee Files <input type="checkbox"/> Private Firms <input type="checkbox"/> Other Agencies <input type="checkbox"/> Constituent Agencies					
NAME OF ELIGIBLE	CIVIL SERVICE STATUS		ACTION TAKEN ^{1/}	DATE OF SELECTION	REMARKS <i>(Include justification, where applicable, for deviating from order of selection)</i>
	YES	NO			
GROUP I					
GROUP II					
GROUP III					
^{1/} NA (Not Available); D (Declined); NS (Not Selected); S (Selected)					
ORDER OF CERTIFICATION: GROUP I - Qualified persons entitled to 10-point preference who have a compensable service-connected disability of 10 per cent or more. (Not applicable for professional and scientific positions inxx grades GS-9 and above.) GROUP II - All other qualified persons entitled to 10-point and five-point preference. GROUP III - All other qualified applicants.					
ISSUED BY			SIGNATURE OF SELECTING OFFICIAL		DATE

4/14/61

Part 2. Personnel Administration

Chapter 1. Personnel Administration, General

Section 6

PROCESSING PERSONNEL ACTIONS

Personnel actions requested by Regional Offices require the approval of the Administrator or his designees in the Central Office. Before approval is granted, such requests are reviewed by the Personnel Branch for conformance with Civil Service Commission regulations and OA personnel policy. In addition, the Personnel Branch is responsible for seeing that all necessary clearances have been obtained.

No commitments or final offers regarding employment or other personnel actions shall be made until notice of approval has been received from the Personnel Branch. Without this approval no employee shall encourage any candidate to take any action on the assumption that he has been offered or promised employment with the OA. It is recognized that field officials are responsible for the selection of employees, and that this function involves interviews and other discussions with candidates. All such discussions, however, shall be conducted within the restrictions of this paragraph.

INITIATING REQUESTS FOR PERSONNEL ACTION

Personnel action requests shall be submitted on Standard Form 52, *Request for Personnel Action*. Actions involving details or transfers of personnel which cut across Regional lines shall be initiated by the Region requesting the employee.

Standard Form 52 shall be prepared in triplicate. The original and one copy shall be routed to the Personnel Branch through the Director, Division of Field Coordination. The remaining copy shall be retained in the files of the originating office until official action has been taken. When a justification memorandum is necessary, the original and one copy will accompany Standard Form 52 to the Central Office.

Instructions for the initiation of personnel actions not covered in this Section should be obtained on a case basis from the Personnel Branch. Incomplete or incorrectly prepared Standard Form 52's may have to be returned to the initiating office for correction before processing.

TIMING OF SUBMISSIONS

Requests for personnel actions should be submitted as far in advance of the desired effective date as possible in order that the Personnel Branch may have sufficient time for clearances and processing. It is particularly important that requests requiring the establishment of, and recruitment for, new positions be submitted sufficiently in advance of the desired effective date to allow for the allocation of

the position, necessary clearances and consideration of all qualified applicants.

INSTRUCTIONS FOR PREPARING STANDARD FORM 52

Name

Show full legal name. This should be the same name and initial that appear on present personnel records or will be used for such records. If the future incumbent is unknown, place "Vacancy" in this item. In the case of a name change request, show the new name.

Date of Birth

Use numerals, for example: "1-27-12." If there is any reason to question the date of birth shown on the application form, documentation should be submitted.

Request Number

Number in consecutive order prefixed by the region number. For example, the 73rd request from Region VI would be: VI-73. A new number will be assigned each time an action is requested even though the position has been involved in a previous action. A separate Standard Form 52 is, for instance, required every time a position is filled. A Standard Form 52 once cancelled, may not be reactivated under the original number. For vacancy actions, however, the Standard Form 52 will be returned to the Region after budget and classification approvals in order that the candidate's name may be added when he is recruited, and the request returned to complete processing. If the request was only to establish a position, of course, the action is considered completed upon allocation (without budget approval) and a new Standard Form 52 is necessary to fill the position.

Date of Request

Use numerals, for example "3-1-52."

Nature of Action Requested

Use separate spaces for the terms to be used in requesting actions which affect persons (Part A) and positions (Part B). Where a requested action would affect both, both boxes should be used. The terms to be used are listed below.

Accessions

This group of terms describes actions which increase the number of persons on the OA payroll. A complete and current *Application for Federal Employment*, Standard Form 57, shall accompany each request for an accession action. (See also "Documentation of Standard Form 52," below.)

Appointment—Used for all accession actions except those described immediately below.

Temporary Limited Appointment, NTE——*Days*—An appointment of limited time duration in order to accomplish a given task.

Requests should be accompanied by a memorandum of justification.

Reemployment—An appointment based on the return of an employee who has certain prior existing rights. Use for employment of a Civil Service Commission annuitant; the return after military service other than by military furlough, return after transfer to another agency granted with reemployment rights; or employment of former Federal employees on Reappointment Reserve lists.

Position Changes

Transfer—A change of headquarters or post of duty within the O.A. Use only in combination with other terms, for example, promotion and transfer, reassignment and transfer, or change to lower grade and transfer. (Not to be confused with appointment by transfer.)

Reassignment—A change of position within the OA not involving a change in grade.

Promotion—A change of position within the OA to another position of a higher grade.

Change to Lower Grade—A change of position within the OA to another position of lower grade or lower minimum salary.

Pay Changes

Leave Without Pay—A temporary non-pay status and absence from duty. A Standard Form 52 and justification memorandum are required whenever LWOP is 22 working days or more. Central Office approval is not required for LWOP which will total less than 22 working days during the leave year.

Furlough-Military—A non-pay status and absence from duty granted upon the entrance of a permanent employee into the military service.

Return to Duty—A return to duty and pay status from leave without pay, suspension, furlough, military furlough, or other furlough. (Submit for approval before the employee returns to duty.) If employee has been separated do not use this term.

Other Actions

Detail—An assignment to duties and responsibilities different from those officially recorded in the employee's position description or in a different organizational unit. Approval of details, including details pending transfer, lasting or scheduled for thirty days or more must be requested on a Standard Form 52 supported by a justification memorandum.

Reimbursable or Non-reimbursable Loan—A paid or unpaid detail of an employee from another agency. The Standard Form 52 should be made out to show the name of the proposed candidate, the employing agency (in the "From" side of Item 10) and a detailed account of the OA organization to which he is to

be assigned (Item 10 "To" side). The "Remarks" item will always indicate whether or not travel will be involved. A memorandum of justification showing the need for, and proposed duration of, the assignment must accompany the request. Another memorandum is required to terminate a detail before the closing date.

Name Change From _____ —A request to change the name on official records as a result of a name change by marriage, court action or otherwise. Show new name under "Name" and give reason for change in "Remarks." A memorandum from the employee requesting the change must accompany the Standard Form 52.

Extension of Appointment, NTE _____ *days*—An extension of a limited appointment. A justification memorandum is required giving an estimate of the time required to complete the project.

Separations

A personnel action which results in the loss of an employee. Use this term for all actions of this type except those more specifically defined below.

Separation (Military Service)—A separation used when an employee holding a temporary or indefinite appointment leaves for military service.

Separation (Abandonment of Position)—A separation by an employee's quitting his post of duty or by his failure to report for duty. Full details must be given in an attached memorandum. This form of separation is not used if employee is removed with a statement of charges.

Separation (Inefficiency)—A separation for unsatisfactory performance of duties. Full details, citing incidents, must be given in an attached memorandum. (See also 2-5-1, "Performance Rating Plan.")

Separation (Disability)—A separation of an employee whose mental or physical condition renders him incapable of performing his duties and who is ineligible for disability retirement or refuses to select such retirement after being requested to do so by the agency. A medical certificate is required. (See "Sick Leave," 2-7-4.)

Removal—A separation on charges of misconduct or delinquency. The Standard Form 52 must be accompanied with a full and detailed statement of charges. (The actual letter of charges will be prepared by the Personnel Branch.)

Resignation—A separation at the employee's request. The employee should complete the "Resignation" item on the back of the Standard Form 52 or if a letter of resignation is submitted it should accompany the Standard Form 52.

Reduction in Force—A request to separate or furlough one or more employees because of a need to reduce staff. If more than one employee is to be affected, the request should be made by memorandum giving: (1) the reason for the reduction; (2) the name of the employees affected; and (3) the position titles, numbers and grades. A Standard Form 52 will be used when only one position is affected and will contain all the information required above. Reduction in force letters and offers of reassignment will be prepared in the Central Office.

Retirement—A separation of an employee who will receive Civil Service retirement benefits because of retirement for age, disability, or because of optional retirement.

Death—A separation as a result of death. Show time and date of death as shown on death certificate under "Remarks" on the Standard Form 52.

Position Actions

Establish—A request to set up a new position consisting of duties and responsibilities differing in some respects from existing allocated positions. This term should be used in connection with the terms, appointment, reassignment, promotion, or change to lower grade, unless it is not intended that the position be filled immediately. Budget clearance is not necessary on requests to establish—but not fill a position.

Vice—A request to use an unencumbered position which is fully current and accurate with respect to duties and responsibilities and organizational location.

Identical Additional (i.a.)—A request to establish a position which is identical in duties and responsibilities to a current allocated position within the same immediate organization unit.

Survey—A request to review a position in conjunction with a concurrent classification review of all positions in an existing organization unit.

Proposed Effective Date

Use numerals, for example: "10-21-52."

Civil Service Authority

For use of Personnel Branch except where blanket authority is used for an appointment.

For Items 8, 9, 10, 11, and 12 fill in 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 "Form" block alone.

Position Title and Number

Enter the official title as shown on Standard Form 75, *Position Description* for established positions. The organization title may be

shown in parentheses. *The OA position number shall be shown in parentheses below the title.* For unestablished positions, enter the suggested position title.

Service, Grade and Salary

Enter service, classification series and grade for all actions. Enter the salary if a change is recommended.

Organizational Designations

Indicate the region, branch and, if appropriate, the section in which the position is located.

Headquarters

Show the actual supervising field office location and "Post of Duty" if the position is located away from its headquarters.

Field or Departmental

Check field.

Remarks

Explain any of the other items needing further clarification. Wherever the explanation is lengthy or complex, a separate but attached memorandum is to be used. Always indicate the nature of all other papers attached to Standard Form 52 in this space.

Requested By

For signature of Regional Representative or his designee.

For Additional Information Call

Optional use.

Request Approved By

For signature of Director, Division of Field Coordination.

Do not fill in items "Veterans Preference" through "Clearances"

Resignation

Include here a signed resignation statement by the employee involved unless a letter of resignation covering the information required by this item is received and attached.

Separation Data

Enter employee's forwarding address. This item may be completed by person having separated or by the Administrative Officer.

DOCUMENTATION OF STANDARD FORM 52

In addition to the documentation required in the foregoing part of this Section, some requests for personnel action require special documentation before they can be approved.

Reference and Record Checks

Requests for appointment cannot be processed without employment information about candidates who have had prior government

experience and either written replies to reference inquiries or written reports on verbal reference inquiries for all candidates. The following OA forms have, therefore, been provided for the purpose of gathering and submitting the necessary data:

- (1) Form H-100, *Interview Record*;
- (2) Form H-106, *Telephone Reference Checking Form*;
- (3) Form H-119, *Applicant's Employment Record Check Form*;
- (4) Form H-127, *Written Reference Inquiry for Lower and Intermediate Grade Positions*.

All reference inquiries should include the following specific questions:

- (1) Do you have any reason to doubt the candidate's loyalty to the United States? (For persons presently or previously employed by the Federal Government, information regarding formal loyalty clearance will be included on the Form H-119.)
- (2) Does the candidate have personality or character traits which are considered undesirable in a Government employee?

When adverse reference information has been received and the Regional Office is still interested in appointing a candidate, a memorandum justifying the appointment must also be attached.

Whenever a candidate has prior Federal service, Form H-119 will be used to record the required service record information from his last Federal employer. The information must come from official sources and not from the applicant or from information furnished by him.

Documentation of Authority to Appoint

Whenever the candidate for appointment does not have Civil Service competitive status, one of the following types of Civil Service authorities is necessary to appoint him. (See Employment, Part 2, Chapter 3.)

- (1) Special authority for the particular position to be filled, usually granted by the appropriate Civil Service Region by an approved Standard Form 39, *Request for Certification*. The form letter should be attached to the Standard Form 52.
- (2) For candidates who have been separated by reduction in force for less than 90 days, the reduction in force letter constitutes an authority to appoint. The notice should accompany the SF-52.
- (3) A blanket authority for a class and grade of position previously issued by the appropriate Civil Service Region. If this authority is used, the number and date of the Circular Letter must be cited on the Standard Form 52 under "C.S. or other Legal Authority."
- (4) A certificate of eligibles. The certificate with any necessary documentation of failure to reply or declination must accompany the Standard Form 52.

If the request is for the appointment of a non-status candidate under a specific or general recruiting authority, the following statement must be made under "Remarks":

"I certify that this office has no applications for employment from qualified candidates in a higher employment order."

If this certification cannot be made, submit the Standard Forms 57 of all competing candidates and a memorandum of explanation to the Personnel Branch in the Central Office.

Working Papers

Whenever working papers are required for under-age persons by State or municipal law, such papers shall accompany Standard Form 52. The papers will be returned to the Regional Office with the *Notification of Personnel Action*, Standard Form 50.

Travel

Travel instructions contained in 4-2 of this Volume require that a Form H-25, *Travel Order—Request and Authorization*, accompany the Standard Form 52 whenever a transfer of official station is requested.

A justification memorandum is required unless the transfer is clearly for the benefit of the Government. See Section 2-3-3 of this Volume.

Reduction In Force Furlough

Immediately after an employee who is scheduled for reduction in force furlough leaves active duty, submit a memorandum giving the number of hours of his accumulated annual leave and the exact date and time of his last day in annual leave status. The *Notification of Personnel Action*, Standard Form 50, can not be completed until this information is received.

DOCUMENTATION OF ENTRANCE ON DUTY

Documents Always Required

When an employee enters on duty, regardless of the type or duration of his appointment, the following documents must be, or have been, completed:

- (1) *Appointment Affidavits*, Standard Form 61,
- (2) *Employee Withholding Exemption Certificate*, W-4,
- (3) *Statement of Prior Federal and Military Service*, Standard Form 144, and
- (4) *Certificate of Private and Financial Interests*, Form H-130.

With the exception of the Form W-4, all the forms are to be forwarded to the Personnel Branch in Washington; the Form H-130 in a sealed envelope as provided for in Section 2-5-3 of this Volume. Before forwarding the *Appointment Affidavits*, check to be certain that the name of the appointee in the body of the oath is the same as his signature.

The tax withholding form, W-4, is forwarded to the payroll office which will pay the appointee.

Physical Examination

Any appointee who is required to have a physical examination (see MI-4, "Federal Personnel Manual"), shall be furnished with the *Certificate of Medical Examination*, Standard Form 78. The first seven items of the Standard Form 78 shall be completed for the appointee and the Form should be placed in an unsealed envelope addressed to the Regional Administrative Officer. When the Standard Form 78 has been returned by the examining physician to the Regional Office it shall be transmitted to the Personnel Branch in the Central Office. If the physical examination reveals significant defects, a memorandum recommending the action to be taken shall accompany the Standard Form 78. It is desirable that the Standard Form 78 be forwarded with the other appointment papers. However, because of delays often experienced in obtaining medical appointments, it may be forwarded at a later date.

Social Security

If the appointee will be covered by the Social Security system rather than the Civil Service Retirement system, the person responsible for administering the oath of office should request to see the appointee's Social Security Card and be certain that the name and number on the card and the Form W-4 agree exactly. There must also be agreement between the name as given on the Social Security Card and that shown on the Standard Form 61. If it is desirable to change the name on the Social Security records, the appointee should be requested to complete *Employee's Request for Change in Records*, Form O.A.N.-7003 and return it to the nearest office of the Social Security Administration. If the card has been lost the new employee should complete *Application for Social Security Account Number*, Form SS-5. If Form SS-5 has not been already so stamped, type "Notify Employer" in the right hand margin space marked "Do Not Write in this Space" before forwarding to the nearest office of the Social Security Administration.

Verification of Veterans Status

If the appointee is a veteran, an individual authorized to administer the oath of office must compare the data given by the appointee in answer to question 37 of the Standard Form 57 concerning his military service with his discharge or other certificates. Since the Standard Form 57 will have already been forwarded to the Central Office Personnel Branch, the certification regarding this question usually made on Standard Form 57 will be made in memorandum form to be forwarded with the Standard Form 61. The certificate should say "The information contained in Question 37, John E. Doe's Standard Form 57 has been verified by comparison with the discharge certificate on _____, 195-." If it is necessary to make corrections to the appointees answer to question 37, the wording of the memorandum should be appropriately changed.

SECURITY INVESTIGATIONS

Regional Representatives are responsible for securing the forms required to initiate investigations under the personnel security program on applicants, appointees, and employees. (See Section 2-1-2 of this Volume.)

STANDARD SECURITY FORMS

Regional Offices will be concerned with the following forms which cover national agency checks and written inquiries for employees entering non-sensitive positions and full field investigations for employees entering sensitive positions.

Standard Form 85, *Security Investigation Data for Non-Sensitive Position*

Standard Form 86, *Security Investigation Data for Sensitive Position*

Standard Form 87, *Fingerprint Chart*

Standard Form 57, *Application for Federal Employment*

Investigation Requirements**Non-Sensitive Positions**

All accessions to non-sensitive positions require the minimum investigation of a national agency check, including a check of the fingerprint files of the FBI, written inquiries to appropriate local law enforcement agencies, former employers and supervisors, references and school and colleges attended by the individual except—

- (1) Accessions by transfer from another position in the Office of the Administrator,
- (2) Accessions by transfer from another Federal agency, provided that the individual concerned has already had the minimum investigation required,¹ or
- (3) Accessions by the reappointment of former Federal employees, within one year of their last Federal employment, provided that the individual concerned has already had the minimum investigation required.¹

In cases when a national agency check is required, the Regional Office shall secure Standard Form 85, in quadruplicate, from the employee. The original and 2 copies of Standard Form 85, together with Standard Form 87, an exact copy of the original Standard Form 57 upon which the appointment was made,² and any telephonic or written reference checks, shall be forwarded to the Regional Office of the Civil Service Commission for the area immediately after the

¹ Clearance under Part VI of Executive Order No. 9835 or a preappointment loyalty check does not meet the minimum investigation requirement of EO 10450.

² If the original Standard Form is not available, a current Standard Form 57 should be secured from the employee for this purpose.

reference checks submitted with the proposed personnel action have been returned by the Personnel Branch for this purpose. One copy of Standard Form 85 shall be forwarded to the Personnel Security Officer, through the Director of Personnel.

The person to whom the investigation report is to be submitted shall be indicated, under item 18 of Standard Form 85, as follows:

Personnel Security Officer
Office of the Administrator, HHFA
Normandy Building
1626 K Street, N.W.
Washington 25, D. C.

The Personnel Security Officer, upon receipt of the investigation report, will make the necessary security evaluation and finding. When the Personnel Security Officer makes a favorable finding, he will so advise the Director of Personnel by memorandum and will send to him, for the employee's official personnel folder, the Standard Form 57 submitted with the case and any reference checks made by the Office of the Administrator. Upon receipt of this Form, the duplicate Standard Form 57 which had been submitted at the time of appointment will be returned for the Regional employee file. An information copy of the Personnel Security Officer's memorandum will be furnished the Regional Office.

Sensitive Positions

All accessions to sensitive positions, including reassignments to such positions within the Office of the Administrator, require the prior approval of the Personnel Security Officer. Requests for such approval shall be submitted through the Director of Field Coordination and Director of Personnel.

Upon receipt of a request for the approval of an assignment to a sensitive position, the Personnel Security Officer will advise the Regional Office whether the assignment can be made immediately or whether a full field investigation is required. In some instances, even though a full field investigation report is available, additional field investigation or a national agency check may be needed. In these cases, the Regional Office will be given specific instructions.

If a full field investigation is required, the Regional Office shall secure Standard Form 86, in quadruplicate, from the employee. The original and 2 copies of Standard Form 86, together with Standard Form 87, shall be forwarded promptly to the Regional Office of the Civil Service Commission for the area. One copy of Standard Form 86 shall be forwarded to the Personnel Security Officer.

The Personnel Security Officer, upon receipt of the investigation report, will make the necessary security evaluation and finding. When the Personnel Security Officer makes a favorable finding, he will so advise the Director of Personnel and the Regional Representative by memorandum.

In unusual cases, it may be in the interests of the service to assign an individual to a position designated as sensitive prior to completion of a full field investigation. In such cases, upon the joint recommendation of the Regional Representative, the Director, Division of Field Coordination, and the Director of Personnel, the Personnel Security Officer may recommend to the Administrator that such assignment be authorized pending completion of a full field investigation.¹ When it is known that the individual has not had at least a national agency check, a national agency check shall be initiated simultaneously, following the procedure outlined in the subsection entitled "Non-Sensitive Positions", above. In no case, however shall an individual be actually assigned to a sensitive position until specific approval for such assignment is received from the Personnel Security Officer.

Per Diem, Intermittent, Temporary, or Seasonal Employees

The Civil Service Commission has relieved the Office of the Administrator of the requirement of submitting forms to the Civil Service Commission for investigation in cases of appointments limited to three months or less in non-sensitive positions. When such an appointment is proposed the Regional Office shall submit written reference checks, including specific statements as to the individual's loyalty and suitability for Federal employment to the Director of Personnel, who will process the action through the Personnel Security Officer. (See Documentation of Standard Form 52, above)

All other cases in which a waiver is proposed shall be handled on a case basis by the Personnel Security Officer and the Director of Personnel.

Security Investigations Index

The Personnel Security Officer is responsible for the maintenance of investigative files and for carrying out the procedures outlined in Federal Personnel Manual I-2-5 with respect to the establishment and maintenance of the Civil Service Commission's security investigations index.

The Director of Personnel is responsible for advising the Personnel Security Officer of all separations so that investigative files held by the Office of the Administrator can be promptly forwarded to the Civil Service Commission.

¹ See Section 2-1-2, subsection entitled "Procedure".

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Section 9

NOTIFICATION OF PERSONNEL ACTION

This Section supplements Federal Personnel Manual Chapter R1, on the preparation of the personnel journal, and Standard Form 50, *Notification of Personnel Action* (July 1957 edition). It should be used in connection with Federal Personnel Manual Chapter R1, and other instructions of the Civil Service Commission, such as Civil Service Regional Circulars, for reporting personnel actions.

When an employee is reassigned to a position having the same series, grade, and title and located in the same organization unit as his former position, it is not necessary to execute a Standard Form 50. Rather, a memorandum may be written to inform the employee (see Exhibit A). Copies of the memorandum shall be placed in the employee's Official Personnel Folder and transmitted to the Division of Personnel for noting on Central Office records.

NOTIFICATION OF PERSONNEL ACTION

The following instructions are given to assist in using the tables in Chapter R1, Federal Personnel Manual. These instructions are in addition to those given in the Federal Personnel Manual, and not instead of them; the exact terminology as shown in the Federal Personnel Manual should always be used.

- Item 1* Name—Enter the last name first, in capital letters. Maiden name may be entered instead of middle name. After the name, enter Mr., Miss, or Mrs. One given name and initial may be shown. If the employee has no middle or maiden name, show NMN under Middle, if he has initials only, show the initial(s), followed by “(No given name).”
- Item 2* Date of Birth—Use figures, such as 10-17-27.
- Item 3* Identification—See Preparation of Journal Schedules, below.
- Item 5* Nature of Action—In stating limitation on temporary appointments, state as 1, 2, 3 months, etc., instead of 30, 60, 90 days, etc.
- Item 6* Effective Date—See Effective Date, below.
- Item 7* Civil Service or Other Legal Authority—Show as indicated in the Chapter R1 tables. If necessary, use Item 19, Remarks, for extension of authority entry.
“From” and “To” columns—In journalizing changes, the Agency will adopt the permission granted in Chapter R1 of the Federal Personnel Manual. If any of Items 8 through 11 are different, fill in the “From” column completely and fill in the items that are different in the “To” column. If all of the items numbered 8 through 11 are the same, complete the “To” column only.

- Item 8* Position Title and Number—The person responsible for classification will check the titles on Standard Form 52 to see that they agree with the official classification sheets. The “customary or office” title may be added, but the first title shown must be that shown on the official classification document. The position number will also be shown.
- Item 9* Series, Grade and Salary—Enter the schedule and series and the grade of the position, for example, GS-201-11. Enter the base salary on a per annum full-time basis, i.e., as “6390.00 per annum.” If the employee is given a regular part-time appointment on a per annum basis, it is desirable to state also the amount he would receive in a year on the part-time basis, after salary item, for the payroll record. If employee is to be employed only intermittently, state the per diem rate and add “When Actually Employed.” Where salary is on a per diem basis, give the daily rate. Any allowance for subsistence should also be entered in this column.
- Item 10* Name and Location of Office by which Employed—(1) The first organization below the Region, with further breakdowns shown below as appropriate; branch, section, subsection, unit or sub-unit. Use only authorized organization designations. (2) The location of the Regional Office (city and State).
- Item 11* Duty Station—Enter the city and State if the employee works in a different city than that shown in Item 10.
- Item 12* Apportioned Position—Do not use. This applies only to Departmental service positions.
- Item 13* Veterans Preference—Check the appropriate box to show the type of preference established in accordance with Federal Personnel Manual.
- Item 14* Tenure Group—Fill in for appointments, conversions, promotions, changes to lower grade, reassignments, and separations. For example, insert “II” for an action under which the employee will serve with career conditional tenure. Subgroup should not be shown.
- Item 15* Position Occupied is in the Competitive or Excepted Service—Mark (X) the box before Competitive Service if the position occupied by the employee is in the competitive service. Mark (X) the box before Excepted Service if the position occupied by the employee is outside the competitive service.
- Item 16* Appropriation—Do not use.
- Item 17* Payroll Deductions—Required for appointment, conversion and separation actions. Mark (X) the “CSR” box if deductions are made for Retirement. Mark (X) the “FICA” box if Social Security deductions are withheld. Mark (X) the “FEGLI” box, if deductions are withheld for Group

Life Insurance. An entry should be made to show why deductions are not withheld, for example, "Waived," "Excluded."

- Item 18* Date of Appointment Affidavits—In accessions, the date of the oath of office shall be entered on all copies of the journal prior to distribution.
- Item 19* Remarks—Show one or more of the following, as applicable:
- (1) Probationary period completed.
 - (2) If probation begins on the date of the action, mark (X) Item 19a and enter the effective date of the action.
 - (3) If prior service is counted toward probation, mark (X) Item 19a and enter the date probation commenced.
 - (4) For Career-Conditional appointment (or conversion to), mark (X) Item 19b and enter the date service counting toward career tenure began.
 - (5) For Career Appointment (or conversion to), mark (X) Item 19b and enter the dates covering the period of service that represents compliance with the service requirement.
- See the Federal Personnel Manual Chapter R1 and Standard Remarks below for frequently used remarks required.
- Item 20* Employing Department or Agency—Type in "Housing and Home Finance Agency, Region X."
- Item 21* Office Maintaining Official Personnel Folder (if different than Item 10 above).—Do not use.
- Item 22* Signature (or other authentication) and Title—The Manual or facsimile signature and title of the officer designated to be responsible for correctness of journals, not necessarily the appointing authority, shall be given in Item 22. (See Preparation of Journal Schedules.)
- Item 23* Date—Fill in in all cases. This should be the same as the date of the schedule on the facing sheet. (See Preparation of Journal Schedules.)

Details

The Civil Service Commission requires that details for over 30 days be reported. Standard Form 50 will be used to report all details and will be maintained as a permanent record in the Official Personnel Folder. (See Details, Section 2-4-6.)

In journalizing details the nature of action will be shown as: Detail; Extension of Detail; or Termination of Detail.

When the detail is to a position of the same title, grade and series, fill in the "From" column completely and fill in the items that are different in the "To" column.

When the detail is to a position with a different title, grade or series, complete both columns but omit the salary of the higher grade on the "To" side.

“Remarks”: You will retain your present grade, official title, and salary.

If the detail is to an understudy position which has been processed in accordance with promotion plan, show under “Remarks”: Employee selected for understudy position by promotion plan procedures.

EFFECTIVE DATES

The basic rule in connection with effective dates is that a personnel action may not be made effective retroactively, that is the effective date of the action may not be earlier than the date of approval shown in Item 23 of Standard Form 50. The date shown in Item 23 is the date on which the appointing authority takes administrative action by signing of the journal cover sheet. The “effective date” of the action is the date on which the employee actually or officially enters upon the new assignment effected as a result of the administrative action taken by the appointing authority. The rule against retroactive effective dates is subject to the following exceptions:

- (1) Longevity step increase actions;
- (2) Separation actions;
- (3) Leave without pay and military furlough actions;
- (4) Return to duty and return from military furlough actions;
- (5) Suspension actions—State the effective date so that the period for which the suspension is made will be absolutely clear, for example: “1-12-57 for 1 day only”; “1-12-57 for indefinite period”; “1-12-57 to 1-16-57 inclusive.”
- (6) Actions taken under special Civil Service Commission authorities under which the Commission has authorized a retroactive change in the type of appointment, in lieu of or, supersede the original appointment.

Effective Dates of New Appointments

Original appointments and transfers from other agencies, as well as intra-agency transfers involving change of official station, become effective upon entrance on duty of the individual. Since the date of entrance on duty is not usually known at the time of journal action, such actions are journalized without an effective date. After the employee enters on duty, the effective date and date of oath is stamped on all copies of the journal.

In order to be certain that there is no break in service for new employees transferring to the Agency, it is necessary to ascertain the date the losing agency will drop the employee from the rolls. The employee is then entered on duty the next day, even if it is a non-work day.

Separations

Transfers to other agencies are made effective at “close of business” on the last day before the employee enters on duty in the other agency. Do not journalize until the entrance on duty date in the other agency is definitely shown by a copy of the journal. Other separations, including resignations, are usually made effective at the exact time when the employee completes active duty. Example, “6-13-57—3:30 p.m.” or “6-13-57 c.o.b.”

The date of death on the journal may be based on the best evidence available when the journal is prepared, which may be a death certificate, certificate of attending physician, letters from 2 relatives of the deceased, newspaper clippings, or other evidence. If stated date of death is not based on official documents, it will be necessary to obtain official evidence before transmitting claim for final salary payment.

STANDARD REMARKS

Remarks are added to the journal when necessary to amplify or explain the other information given in the Notification of Personnel Action. The following frequently used remarks are taken largely from the Federal Personnel Manual Chapter R1 charts:

- (1) Appointments at salary above the base of the grade or promotions to a grade previously held should show why employee is receiving more than the base of the grade or a step within the grade from which promoted. "Previously employed at GS-(grade), (salary)."
- (2) All promotion actions are made in accordance with a promotion plan, for example, "Promotion in accordance with Plan I, as amended."
 On all promotion actions made under specific exceptions: "Employee promoted to position or grade from which demoted by Reduction in Force"; "Employee promoted to position or grade from which demoted by position classification action"; "Employee promoted as a result of upgrading of position through position classification action"; or "Promotion from understudy position. Employee selected for understudy position by promotion plan procedures."
- (3) Name Change: "By court order"; "Marriage"; or "At request of employee."
- (4) Change to lower grade: "This action is taken with the consent of the employee and is in no way a reflection on (his or her) ability or performance."
- (5) Actions placing employees on regularly scheduled part-time basis to work-hours per week.

Monday _____ AM to _____ PM
 Tuesday _____ " " _____ "
 Wednesday _____ " " _____ "
 Thursday _____ " " _____ "
 Friday _____ " " _____ "

- (6) Actions involving change of headquarters or duty station when travel and transportation of household goods are involved. The transfer of (employee) is in the interest of the Government and not primarily for his convenience or benefit or at his request. Reimbursement of his travel expenses on transfer, including travel expenses for his immediate family, and transportation of household goods and personal effects is authorized in accordance with the provisions of Public Law 600, approved August 2, 1946, as amended and Executive Order 9805, as amended.

THE PREPARATION OF JOURNAL SCHEDULES

Instead of the appointing officer signing the individual copies of the Standard Form 50, *Notification of Personnel Action*, several completed forms or journals can be placed behind a facing sheet (see Exhibit B) and a number of actions can be approved at the same time by the signature on the facing sheet. A new schedule number is assigned for each group of journals approved on the same day. The facing sheets should be reproduced locally.

The date of the schedule and the Standard Form 50 date (Item 23) must be the same and, as indicated above under Effective Date, the date of the journal will generally be prior to the effective date. Show the schedule number followed by the journal number; for instance the second journal of the first schedule in a day would be "1-2"; the third journal, "1-3," etc.

The employee charged with the journalization of personnel actions should have a regularly scheduled time to distribute journals during each workweek. The schedule should take into consideration the need for having the approved journal in the payroll operations. The distribution given to each Standard Form 50 is as follows:

- (1) Employee Copy—For all actions, deliver to employee through his supervisor.
- (2) Payroll Copy—All actions.
- (3) Civil Service Commission Copy—See Page R1-7 of the Federal Personnel Manual for types of actions that require a Civil Service Commission copy.
- (4) Personnel Folder Copy—File in personnel folder.
- (5) Chronological File Copy—See Standard Form 50 Chronological File below.
- (6) Extra Single Copy—Forward to OA Division of Personnel. For types of actions not requiring a Civil Service Commission copy, forward the CSC copy instead of making an extra copy.

In addition to these copies, an extra single copy must be added for all accession actions in which the employee's Official Personnel Folder is held by a Federal Agency other than the Federal Records Center. (See Section 2-1-5, Personnel Records in the Regional Office.)

STANDARD FORM 50 CHRONOLOGICAL FILE

The Chronological File copies are filed behind their appropriate schedule facing sheet, preferably in a pressboard file with Acco fasteners. No less than one month journals nor more than one calendar year shall be filed in one folder.

EXHIBIT A

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO (Supervisor)

DATE:

FROM Director, Administrative Management

SUBJECT: Transmittal of Employee's Copy of Position Description No. ____

Attached is the employee's copy of the newly allocated position of _____
(Title, series and grade)
for _____
(Organization).

I will appreciate it if you will give the employee this job sheet and explain that he will not receive a Standard Form 50 since one is not required to be processed on positions which involve no change in title, grade, series or organization.

Attachment

5/18/59

EXHIBIT B

HOUSING AND HOME FINANCE AGENCY

REGION X
St. Louis, Missouri

Schedule # 1
April 18, 1959

The personnel actions listed on the attached sheets, pages
1 through 4 inclusive,
are hereby approved.

Recommended:

Approved:

Director, Administrative Management

Regional Administrator

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) If the injured employee is in need of first aid or medical treatment he must be referred to a Government medical facility or to a designated physician,¹ or, where neither is available, to a duly qualified private physician in the locality.
- (2) Form CA-16 or CA-17, Request for Treatment, must be used to secure treatment at a Government medical facility or from a designated physician. A brief memorandum, addressed to a private physician and signed by the employee's superior, is sufficient to request treatment when a designated facility is not available. The memorandum should request that the bill be sent to the field office of the Bureau of Employment Compensation (see Exhibit A).

¹The Administrative Branch, shall, as occasion requires, distribute current lists of United States hospitals and outpatient clinics and designated physicians in the Region, to Field Offices and employees whose duties require them to travel, including employees of the Audit Division, Compliance Division, and Voluntary Home Mortgage Credit Program.

Within 48 hours after the accident the supervisor shall also :

- (1) Complete Form CA-2, Official Supervisor's Report of Injury, in duplicate, and see that Form CA-1, Notice of Injury, is completed by the injured employee or 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.
- (2) Report the injury to the Director, Administrative Branch.

In each case, the above forms shall be completed in duplicate, and, with the exception of the original copy of CA-16 and CA-17, all copies shall be sent to the Director, Administrative Branch for forwarding to the field office of the Bureau of Employees Compensation (see Exhibit A). A carbon copy of each form and memorandum shall be filed in the employee's personnel folder.

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.
- (2) Secure the names and statements of witnesses, if possible.
- (3) Contact his supervisor as soon as possible for appropriate authorization for medical treatment. The employee may not sign an authorization for his own treatment.

Employees Who Refuse Medical Attention

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

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 Director, Administrative Branch.

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 employee should be fully informed 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

The Bureau of Employees' Compensation shall be informed promptly of accidents involving third parties in order that proper action may be taken. It is usually sufficient if this notification is sent to the Bureau along with Form CA-2.

Special attorneys represent the Bureau and beneficiaries throughout the United States in the prosecution and settlement of the third party claims to whom attorneys, employees and other beneficiaries are referred whenever injury or death occurs under circumstances involving a third party.

Employees and other beneficiaries and witnesses should refrain from giving statements or in any way discussing claims against third parties, particularly with the third party concerned, their representatives, or their insurance carriers, unless advised by the Bureau. They should refuse all offers of settlement and refrain from accepting any money whatever from the responsible third parties unless advised by the Bureau of Employees' Compensation or by Federal counsel.

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 of Employees' Compensation, the excess is retained by the employee.

EXHIBIT A

BUREAU OF EMPLOYEES' COMPENSATION DISTRICT OFFICES

1. Department of Labor
Bureau of Employees' Compensation Office
321 W. 44th Street
New York 36, New York
New York
New Jersey
Pennsylvania
Delaware
2. Department of Labor
Bureau of Employees' Compensation Office
18 Oliver Street
First Floor
Boston 10, Massachusetts
Connecticut
Maine
Rhode Island
Massachusetts
New Hampshire
Vermont
3. Department of Labor
Bureau of Employees' Compensation Office
Fidelity Federal Savings and Loan Association Building
411 West Adams Street
Jacksonville 2, Florida
Florida
Georgia
South Carolina
4. Department of Labor
Bureau of Employees' Compensation Office
114 North Rocheblave Street
New Orleans 19, Louisiana
Alabama
Arkansas
Louisiana
Mississippi
Texas
5. Department of Labor
Bureau of Employees' Compensation Office
33 Public Square
Public Square Building
Cleveland 13, Ohio
Indiana
Kentucky
Michigan
Ohio
Tennessee
West Virginia

6. Department of Labor
 Bureau of Employees' Compensation Office
 14 East Jackson Boulevard
 Chicago 4, Illinois
- | | |
|-----------|--------------|
| Illinois | Missouri |
| Iowa | Nebraska |
| Kansas | North Dakota |
| Minnesota | South Dakota |
| Wisconsin | Oklahoma |
7. Department of Labor
 Bureau of Employees' Compensation Office
 630 Sansome Street
 San Francisco 11, California
- | | |
|------------|----------|
| California | Colorado |
| Utah | Nevada |
| Arizona | |
8. Department of Labor
 Bureau of Employees' Compensation Office
 Smith Tower Building, Room 2008
 506 Second Avenue
 Seattle 4, Washington
- | | |
|---------|------------|
| Alaska | Oregon |
| Idaho | Washington |
| Montana | Wyoming |

Reports from offices in states not listed are sent to: Bureau of Employees' Compensation, U.S. Department of Labor, Washington, D.C.

Section 11

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 Central Office

When an employee organization requests recognition from the Regional Office, the Regional Administrator¹ shall keep the Division of Personnel informed through written summaries of developments.

The employee-management cooperation program places emphasis on discussion, consultation, and negotiation, as appropriate, at the local level, and such relations between the Regional Office and a recognized

¹ As used hereafter in this Section, the term "Regional Administrator" includes his designees.

employee organization, with respect to local policy matters is encouraged. However, activity involving development or modification of policies, regulations, or procedures which would immediately or potentially require or otherwise merit consideration at the national level shall be brought to the attention of the Division of Personnel, and shall include, as necessary, participation, advice, and/or final determination by appropriate Central Office officials. In this connection, it is especially important that developments with respect to the following matters be brought to the attention of the Division of Personnel for consideration and determination as to appropriate action by the Administrator.¹

- (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 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 Administrative Division shall, with affirmative willingness, carry out the management responsibilities of the Regional 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.

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

Requirements for Recognition

An employee organization seeking recognition from the Regional Office, 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 (a) 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 employees¹ 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 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 Administrative Division 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 Administrative Division 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.

¹The term "eligible employees" includes all employees except the categories of employees listed in Volume II, Section 3-2-8, under the subheading "Membership in Employee Unit with Exclusive Recognition."

Section 12

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 HHFA Regional Office (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;¹ (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;

¹ 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>	Notice of Proposed Adverse Action from, Employee Reply (if any) to, and Notice of Adverse Decision from :	Employee Written Appeal to, and Final Agency Appellate Decision from :
Employees reporting directly to the Administrator or the Deputy Administrator	Administrator	Administrator
Regional Office Employees at GS-13 and above; Regional Office employees reporting directly to the Regional Administrator; All Region VII employees	Director of Personnel	Assistant Administrator (Administration)
Regional Office employees at GS-1/12, assigned to Regional Offices I through VI	Regional Director of Administration	Regional Administrator

5. A requested hearing will take place before a hearing officer and, in order to insure fairness, impartiality, and objectivity, the hearing 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. Witnesses¹ 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.

¹ 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.

Employee's Selection of Hearing Officer from Ad Hoc Panel

The officer issuing the notice of proposed adverse action will promptly 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.¹ 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

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

regulations only after, but not more than 10 days later than, his receipt of the notice of the final Agency appeal decision. If he 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 reasons 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. Process 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 appeals ; 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 1

POSITION CLASSIFICATION AUTHORITIES AND RESPONSIBILITIES

This Section and the Section on Position Classification Procedures, are issued as guides to Regional Offices in their responsibility for the administration of the position classification program. They supplement the basic information on position classification in the Federal service which is provided by the Federal Personnel Manual in Chapters A-4, P-2, X-1 and Z-1-23 through Z-1-335.

The primary purpose of this Section is to provide the necessary background for the operations of the position classification program in Regional Offices.

AUTHORITY FOR THE CLASSIFICATION OF POSITIONS

The Civil Service Commission has, by law, the overall responsibility for the policies and operation of the Federal position classification plan. The Classification Act of 1949, as amended (see FPM Chapter Z-1), authorized the Commission to give to each agency the authority for classifying its own positions in grades from GS-1 through GS-15 in conformity with CSC standards.

The Administrator has delegated his authority to the Assistant Administrator (Administration), with additional delegations to the Director of Personnel and members of the Classification Branch. Regional Administrators have been delegated classification authority for positions under their jurisdiction in grades GS-1 through GS-7, with the exception of positions for Housing Interns, student trainees or student assistants; and for establishing "i.a." positions (see Definitions, Section 2-2-2) in grades GS-8 through GS-12, pursuant to Central Office determination.

THE POSITION CLASSIFICATION PLAN

The Classification Act establishes and provides for the maintenance of a system whereby Federal employees are given equal pay for substantially equal work. Under this system, positions are classified by occupational categories (typist, file clerk, engineer, etc.) and in accordance with an 18-grade scale, the General Schedule, which divides the kinds of work performed into levels of relative difficulty and responsibility. Parallel to the General Schedule is a series of pay rates for each grade, fixed by Congress, which may be increased or decreased from time to time.

Positions are allocated to grades and series by reference to Civil Service Commission classification standards, which define the kinds of work to be found at each grade level in terms of difficulty and responsibility. The rates of compensation for each position are fixed by the grade allocation.

RESPONSIBILITY FOR THE CLASSIFICATION OF POSITIONS

The responsibility for classifying positions is shared by the Civil Service Commission and Agency officials.

Civil Service Commission

It is the responsibility of the Civil Service Commission to provide position classification standards and other guides to be used by agencies. It is also the Commission's responsibility to determine, through inspections and surveys, that each agency is conducting its classification program in a manner consistent with the statutory requirements and the rules and regulations of the Commission. The Commission may take corrective action on any particular position and may, where it finds flagrant violations of the statutes or of its own regulations and standards, rescind an agency's authority to classify positions.

Housing and Home Finance Agency—Division of Personnel

The Office of Administration, through the Division of Personnel is responsible to the Administrator for assuring that all field and departmental positions in the Office of the Administrator, Community Facilities Administration and Urban Renewal Administration, are properly classified as to grade and series; that classification records are properly identified and maintained in accordance with Commission regulations; and that the position classification program of the Agency is conducted in the letter and spirit of the Classification Act. Pursuant to this responsibility, the Division of Personnel systematically reviews the job sheets classified in the Regional Offices and conducts periodic job audits and classification surveys.

When, in the course of reviews or surveys, positions are found which fall short of Civil Service Commission and Agency classification standards as to grade, or which are improperly classified as to series or title, the Division of Personnel will inform the Regional Office in writing of the corrective action which is required. If the Regional Office does not agree with the finding, the Division of Personnel should be informed promptly of the basis for the disagreement. Otherwise, it is expected that corrective action will be taken within thirty days of the notification.

It is also the responsibility of the Division of Personnel to advise the Assistant Administrator (Administration), staff members in the Central Office, and Regional Administrators in all matters concerning the classification program.

HHFA Regional Offices

It is the responsibility of the Regional Administrator to take final classification action on positions in the Regional Office in grades GS-1 through GS-7 (except housing interns). In addition, he is responsible for certifying (Line 14, Optional Form 8) as to the validity of the job description for positions in GS-8 and above.

It is the responsibility of the Director, Administrative Branch, in each Regional Office to insure that position descriptions are prepared when needed to review requests for classification action from employees

and supervisors; to insure the orderly and prompt processing of such requests through the establishment of a time-control system; to review position descriptions for clarity and accuracy and evaluate them by reference to Civil Service Commission classification standards; to recommend to the Regional Administrator the proper grade and series for each position submitted for allocation; to insure that obsolete positions are abolished, and to notify the Division of Personnel of their cancellation; to review the periodic issuances of Civil Service Commission position classification standards and make whatever changes are necessary in titles and series of Regional Office jobs covered by such standards, and if grade adjustments are necessary to meet standards requirements, to recommend such changes to the Regional Administrator; to announce to employees and supervisors the issuance of any new classification standards affecting their positions; to inform employees periodically of the availability of Civil Service Commission classification standards in the Administrative Branch; to advise the Regional Administrator, operating supervisors, and employees on all matters concerning the classification program including rights to appeal classification actions to the Director of Personnel and/or the Commission, and the time limitations involved; to inform the Director of Personnel as soon as notification of a Commission inspection is received; and to maintain a working relationship with the Classification Branch in the Division of Personnel and with the Regional Office of the Civil Service Commission.

Each supervisor is required to certify to the accuracy of incumbered positions each year when making performance evaluations. At this time, if there are any questions as to the duties and responsibilities assigned, they should be discussed with the employee. If it is inaccurate, the job sheet should be amended or rewritten.

Each supervisor is responsible for maintaining a continuing review of job sheets for the employees in his part of the organization. He should assure himself that they are kept current and that they describe the assignment of each employee accurately and adequately and forwarded through channels to the Administrative Branch for review. A supervisor may sometimes help to avert the downgrading of an employee's position as a result of classification survey, new Civil Service Commission standards, or other reason, by broadening or strengthening his work assignment. The supervisor should make a concurrent review of vacant positions, and initiate action to abolish those job sheets which are no longer current or useful, by notice through channels to the Director, Administrative Branch.

If the supervisor plans to promote any of his employees or anticipates staff expansion, he should determine at the earliest possible time what assignments he will make and initiate action to establish any new positions required. The early submission to the Central Office of new position descriptions for which the Regional Office does not have delegated classification authority will insure against needless delays in the recruitment, appointment, or promotion of qualified candidates.

All requests for classification action, either from employees or supervisors, should be in writing so that they may be assured of official consideration in order of receipt, wherever possible; they should be forwarded through supervisory channels to the Director, Administrative Branch.

Each employee should be familiar with the contents of his job sheet. He may be called upon to rewrite it, with his supervisor's guidance, when, due to changes in the nature or the difficulty and responsibility of his assignment, the job sheet no longer describes his position accurately.

Section 2

POSITION CLASSIFICATION PROCEDURES

A vacant, classified position must be established before an employee can be appointed, promoted, demoted, reassigned, or transferred. Before initiating action to fill a vacant, classified position, the supervisor is responsible for reviewing the job sheet to determine whether it accurately describes the assignment he wants the employee to perform. If it does not, he should take steps to insure that the necessary changes are made to bring it up to date.

If no suitable classified position has been established, the supervisor is responsible for drafting a current job sheet and submitting it for allocation prior to or concurrently with the proposed personnel action; or, when appropriate, recommending the establishment of an identical additional position. (See definition below.)

A new job sheet should be submitted well in advance of the date proposed as the effective date of a personnel action, to provide for review and processing time.

DEFINITIONS

The several kinds of position classification actions are defined below. They correspond to the items under "Position Classification Action" on the *Request for Personnel Action*, SF 52.

New Position.—A new position action is taken to assign an employee to a job which has been redescribed and established in his name whether or not a change in grade is involved. It is never used for the assignment of a newly appointed employee; such an employee is assigned to the appropriate position by a vice or i.a. action.

Vice.—A vice action places an employee into an established, vacant, classified position.

I.A.—An i.a. (or identical additional) action is taken to establish a position which in every respect duplicates an existing, filled position. An i.a. position must be in the same organizational unit, under the same supervisor and must have the same title, as the incumbered identical position; the duties to be performed must be identical in every respect to the first job. An i.a. position is automatically abolished when it is vacated.

Regarded Position.—A position which has been changed in grade without a significant change in duties or responsibilities. A regrading action is taken when there is a reevaluation of the position based on, for example, the issuance of new or revised classification standards, a decision made on a classification appeal, or post-audit of the job by the Office of the Administrator classification specialists or Civil Service Commission inspectors.

ESTABLISHING A NEW POSITION

The following steps are followed in establishing a new position:

- (1) *The assignment is defined.*—The supervisor states the assignment, either in writing or orally. In outlining the new position, he must be sure that the work to be performed is in accordance with the authorized functions of his organization as shown in official organization charts and Volume II of the Manual; and that it does not conflict with or overlap the official assignment of any other employee.
- (2) *The assignment is described.*—The Division of Personnel has issued check list position descriptions for some types of positions. For example, Forms H-828 and H-829 may be used in establishing positions of Clerk-typists, Clerk Stenographers, and Secretaries. Special instructions are available for each kind of check list to aid in their completion. Both narrative and check list position descriptions are usually prepared jointly by the employee incumberring the job and his immediate supervisor, frequently with the advice of a staff member of the Administrative Branch. Typically, two or more of these individuals work together in developing a job sheet which accurately describes the employee's assignment and meets the following standard of adequacy, as defined by the Commission:

“A position description is adequate if it states the principal duties, responsibilities, and supervisory relationships of a position sufficiently clearly and definitely to provide information necessary for its proper classification when:

Considered by one familiar with the occupational fields involved and the application of pertinent classification standards, and

Supplemented by otherwise readily available and current information on the organization, functions, programs and procedures concerned.”

For positions that include more than one kind of work (mixed positions) the Commission requires that an estimate of the percentage of time spent on each different kind of work be specified, since different tasks may be of different grade values or may require different qualifications. They must be weighed proportionately in terms of their significance to the position as a whole before a grade and series determination can be made respecting the job.

In drafting the position description, it should be remembered that a good job sheet has the following characteristics:

- (a) *It is clear.*—It sets forth in simple, understandable language, such as one finds in a daily newspaper, the duties and responsibilities of the position. They are stated in such a way that anyone reading the job sheet will have a clear understanding of the assignment.

- (b) *It is brief.*—Few if any positions require a description exceeding two pages providing they are well organized. Statements pertaining to program, policy, functions, or procedures of the office need not be described in detail in the job sheet when this information is available elsewhere in the office. However, important relationships to other positions in the organization with respect to flow of work and lines of authority should be set forth. Major duties should be described in sufficient detail to provide a good understanding of the job. Minor, insignificant duties can be covered by a brief, generalized statement.
- (c) *It is specific.*—It avoids vague generalities and states the facts and conditions which apply to this individual job and distinguish it from others. It deals in nouns and verbs more often than in adjectives. Rather than relying on general phrases and statements, a good job description uses illustrative examples, briefly stated, to point up significant factors.
- (d) *It is factual.*—It describes the duties actually performed and the responsibility being discharged. It does not go back into time to past activities; nor forward to projected ones, except as they directly affect the present assignment. The only exception to this rule is the job sheet which must be projected because a new organization is being established or a new program is being implemented.
- (3) *The job sheet is prepared for classification action.*—The job sheet is typed, and when prepared on Optional Form 8 (see Exhibit A), two bond and five tissue copies, single spaced, are required. When a check list job sheet is used, such as Forms H-828 or H-829, four copies are prepared. This form should be filled out according to the following procedure:
- Item 1. Check the block after *Field*, to show that this is a field position.
 - Item 2. Fill in the name of the city in which the Regional Office is located, this being the official headquarters for all Regional Office positions.
 - Item 3a. Follow the directions of the form if this new position supersedes an established job.
 - Item 3b. List here such notations as “new position,” “survey,” “subject to review,” “in lieu of Position No. —,” etc.
If a new position is in lieu of a position designated as *Sensitive*, the new position is automatically so designated and the job sheet should be clearly stamped Sensitive Position.
 - Item 4d. List here the Agency position number. This is the control number which identifies the position.

In order to avoid confusion with the numbers assigned by Central Office to positions for which they have classification authority, Regional Offices will use a numbering system beginning with the alphabetical symbol assigned to their positions by Central Office under the present numbering system: N—for New York, P—for Philadelphia, A—for Atlanta, C—for Chicago, W—for Fort Worth, F—for San Francisco, R—for Puerto Rico; this letter will be followed by the letter *R* to indicate a Regional Office allocation.

- Items 5, 6, 7, 8a. For use of the Civil Service Commission. Leave these spaces blank.
- Item 8b. This line is completed in the Division of Personnel for positions submitted to the Central Office for Classification. Otherwise the space is left blank.
- Item 8c. Leave this space blank.
- Item 8d. Type the title, service (i.e., GS for General Schedule), series, and grade approved or recommended by the Regional Office for the position, together with the initials of the official approving or recommending the action, normally the Regional Administrator, and the date.
- If the position is in a series for which the Civil Service Commission has issued classification standards, the title must be in conformity with the title structure of the standards.
- For further discussion of title, series and grade, see "The Position is Reviewed and Evaluated," below.
- Item 8e. Type in the title and grade recommended by the initiating office, together with the initials of the official making the recommendation and the date of his recommendation.
- Item 9. List here, if desired, the working or organizational title of the position—as distinguished from the official classification title in line 8e. Commission standards and regulations may require the use of, for example, the official title, *Supervisory Accountant*. It may be more useful from the standpoint of internal organization and procedures, however, to use the working title, *Regional Accounting Officer*. The latter may be used as an organizational title in all except official Agency payroll and personnel records and correspondence with the Civil Service Commission.
- Item 10. Type here the name of the employee only in cases where he is actually discharging the duties and

responsibilities of the position. For example, when an employee has assumed new or different responsibilities or duties not reflected in his job sheet and the job is redescribed and reclassified, his name should be shown in Item 10.

If the new position is not an outgrowth of an existing incumbered position but an essentially new and different assignment, the word, *Vacancy*, should be entered in Line 10. Likewise, if the new job is a redescription of a previously established position but is to be filled by a newly assigned or newly appointed employee, it is designated in Line 10 as *Vacancy*.

- Item 11. Enter the full name of the Agency—*Housing and Home Finance Agency*.
- Item 11a. Enter the designation of the Regional Office—*Region I, II, etc.*
- Item 11b. Show here the organization breakdown within the Regional Office: for example, *Urban Renewal Branch, Community Facilities Branch, Administrative Branch, etc.*
- Item 11c. If there is a further organization breakdown it should be shown on this line.
- It is essential in completing Lines 11, 11a, b, and c that the official organization titles shown in the most recent Manual issuances, charts, or other organizational releases be used.
- Item 12. If the position is being allocated in the name of an employee who is performing the duties described, he should sign on Line 12 after reading the job sheet and discussing it, if necessary, with his supervisor. His signature certifies that the job sheet is a complete and accurate description of the duties and responsibilities of his position.
- Item 13. The immediate supervisor makes a similar certification on this line. His certification is required regardless of whether the position is vacant or filled. Line supervisors above this level may initial on this line.
- Item 14. For positions classified in the Regional Office, the principal staff officer under whom the position operates signs here. By "principal staff officer" is meant an employee reporting to the Regional Administrator. For positions submitted to the Central Office for classification, the Regional Administrator or his designee signs on Line 14, and the principal staff officer under whom the position operates may initial no Line 13.

Item 15. This line is for the signature of the individual making the final allocation. In most cases, for positions classified in the Regional Office, this will be the Regional Administrator. For positions referred to the Central Office for allocation, Line 15 should be left blank.

Item 16. The text of the position description may be begun in this space.

- (4) *The position is reviewed and evaluated.*—After the job sheet has been signed by the employee (if the position is occupied) and the supervisor, it is forwarded through channels to the Director, Administrative Branch.

It is his responsibility or the responsibility of a member of his staff whom he designates, to review and evaluate the position, and to make a technical classification recommendation to the Regional Administrator.

This process includes the following steps:

- (a) The job sheet is first given a mechanical check to insure that it has the required signatures and that it follows official organization designations and is in conformance with the Commission's Standard of Adequacy including, as necessary, the estimated time distribution. When complete and proper in format, it is ready for evaluation.
- (b) The first step in evaluating a position is to ascertain its relationship to others in the organization with respect to flow of work and lines of authority. If the duties, relationships, or lines of authority are not clearly described in the job sheet, the reviewer should discuss the position with the supervisor, and when necessary, with the employee. The job sheet should then be amended or clarifying information added to it.
- (c) The next step is to determine the proper series allocation for the position. In making this determination, the *Handbook of Occupational Groups and Series of Classes* should be consulted. This is the official list of occupational series issued by the Civil Service Commission together with the identifying codes symbols.

If the position consists of several duties, each of which might be classified in a different series, the series allocation will depend upon the importance of, the skill required by, and the time devoted to each of the various kinds of work.

If, for example, filing is the most important responsibility in the job, and occupies most of the employee's time, other incidental duties may be disregarded insofar as the series allocation is concerned, and the job can be classified as "File Clerk." If, however, an incidental but necessary duty requires a particular skill (such as typing, stenography, knowledge of a foreign language, etc.) this skill must be recognized in the series allocation to insure that the position will be filled by an employee qualified to perform all of the duties so that it might be classified as "File Clerk (Typing)." If several tasks are approximately equal in

terms of difficulty, responsibility and time, the position should be classified according to the rules for classifying mixed positions, discussed in the CSC Handbook.

Professional legal positions which require admission to the bar (positions properly classifiable in the General Attorney Series, GS-905) are excepted from the competitive civil service by Schedule A. The Commission has delegated to the operating agencies authority to fill such positions by excepted appointment under Section 6.101(d) without securing prior approval of the Commission. Consequently, special care and judgment must be exercised in establishing attorney positions to determine whether they meet the definition of the General Attorney Series in the *Handbook of Occupational Group and Series of Classes*. If there is any doubt as to the proper series allocation, prior review by the Division of Personnel, or prior review and certification by the Commission are required before such a position can be filled non-competitively under Schedule A.

- (d) Once a determination has been reached as to the proper series for the position, classification standards should be consulted to arrive at a grade determination.

Although the Civil Service Commission has issued lists and definitions of all approved occupational categories, it has not issued classification standards covering all of them. For example, there are none for the GS-301-0 series.

If there are no published standards for the series in which the position is to be classified, the grade determination must be made by reference to one or more of the most nearly applicable standards.

Back issues of classification standards are not available to new subscribers, and the Regional Office may not have available copies of all the standards needed for reference. It is sometimes possible to obtain or borrow copies from the Regional Office of the Civil Service Commission or other Federal agencies. If not, standards may be borrowed from the Classification Branch of the Division of Personnel.

It will be noted that at each grade level, the standards show a class title or a number of class titles. Civil Service Regulations require the use of titles prescribed by the standards in classifying positions.

When appropriate, a descriptive organization of working title may be used to supplement or clarify the class title. The only restriction placed on the use of the organizational title is that it must be clearly applicable to the position.

If for any reason the proper series or grade allocation of a position for which the Regional Administrator has classification authority is in doubt, the job sheet may be referred to the Central Office for review and allocation. The original and first carbon copies should be forwarded; the latter will be returned as the Regional Office copy after it is allocated.

Questions regarding the interpretation of classification standards or of grade allocations may also be referred to the Regional Office of the Civil Service Commission and the Commission's advisory opinion requested regarding them.

It is the responsibility of the Director, Administrative Branch, or of the employee designated by him, to review and evaluate positions; to discuss with supervisors and employees the basis on which he makes classification recommendations; to inform them of their right to consult classification standards and to make such standards available to them upon request.

In referring to standards, supervisors and employees must be cautioned that a position description should not be written in a manner to copy the standards themselves. If so written, it becomes meaningless as a job sheet, since it neither reflects the specific duties of the position nor provides a tangible basis for its evaluation.

- (5) *The position is classified.*—Having determined the proper series and grade allocation for the position, the Director, Administrative Branch, recommends the title, service series, and grade on Line 8d of the Optional Form 8, which he initials and dates. On check list job sheets he initials and dates in the space provided. After satisfying himself that the technical recommendation is based on a full understanding and sound evaluation of the facts relating to the job, the Regional Administrator then signs and dates the job sheet on Line 15 if it is a category which he is authorized to classify; he signs on Line 14 if it is to be submitted to the Central Office for final action.

If he disagrees with the recommendation on technical or factual grounds he should classify or recommend the position in the grade he deems proper regardless of the recommendations made to him. Contrary to a popular misconception, however, there is no such thing as an administrative allocation which disregards the Civil Service Commission standards.

The date on which the job sheet is signed on Line 15 is the official allocation date. An employee may not be officially assigned to the position prior to this date.

ESTABLISHING AN IA POSITION

Frequently an established position has duties and responsibilities of such a nature that they may be performed by more than one employee; for example, such non-supervisory positions as City Planners, Field Representatives, Attorneys, File Clerks, and many others.

The Central Office identifies all positions above grade GS-7 to which Regional Administrators may establish "i.a.'s" by a distinctive "i.a.-able" stamp on the face of the job sheet. Except for positions so distinguished, any identical additional actions above grade GS-7 must have the prior approval of the Division of Personnel.

DISTRIBUTION OF THE JOB SHEET

For positions classified in the Regional Office the original, executed copy of Optional Form 8 will be retained in the classification files. (See Classification Records, below.) The second copy is transmitted to the Classification Branch, Division of Personnel, in the Central Office. For positions classified in the Central Office, the second signed copy of the Optional Form 8 is transmitted for Regional Office files.

One tissue copy of the job sheet is given to the employee, usually with his copy of the Standard Form 50; a second is filed in his personnel folder. The remaining tissue copies are retained in a file for use in processing future personnel actions.

DOWNGRADING OF POSITIONS OR LOSS OF COMPENSATION

If classification action results in a loss in grade or compensation, the incumbent of the position affected must be notified in writing thirty days in advance of the effective date of the action by the Director of Personnel, Regional Administrator, or Director, Administrative Branch. This written advance notice of at least thirty days (midnight to midnight, not counting the day of delivery) is mandatory under Civil Service Regulations for an employee with veteran's preference. Agency personnel policy requires that the same procedure be followed in the case of a non-veteran employee.

With the same notice the employee must be simultaneously informed of: (1) his right to appeal the adverse action, either to the Agency or to the Commission; and (2) that in order to preserve any retroactive benefits in the event of a favorable decision on an appeal, (a) an initial appeal must be filed with the Commission or the Agency within 30 calendar days of receipt of written notice 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.

For information regarding salary retention when an incumbered position is charged to a lower grade, see Section 2-8-6.

CLASSIFICATION RECORDS

The Federal Personnel Manual P2-12, CSC Handbook S-812 Page 22, and Section 2-1-5 of this Volume prescribe the form and extent of classification records.

In addition, a time control of requests for classification action shall be maintained in the Administrative Branch, and such requests shall be considered in order of receipt insofar as possible. All requests pending over 30 days, whether awaiting action in the Central Office or the Regional Office, shall be reported to the Regional Administrator with a statement as to the reasons therefor.

EXHIBIT A

Optional Form 8 July 1955 U. S. CIVIL SERVICE COMMISSION Chapter 12, Federal Personnel Manual 509-103 POSITION DESCRIPTION		1. Check one: Dept? <input type="checkbox"/> Field <input checked="" type="checkbox"/>	2. Official headquarters: Philadelphia, Pa.	4. Agency position No. PR-000		
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 In lieu of (b) Other (specify) Subject to review - 90 days		5. C. S. C. certification No. 6. Date of certification 7. Date received from C. S. C.				
8. CLASSIFICATION ACTION		CLASS TITLE OF POSITION				
ALLOCATION BY		CLASS				
a. Civil Service Commission		Service	Series	Grade	INITIALS	DATE
b. Department, agency, or establishment						
c. Bureau						
d. Field office						
e. Recommended by initiating office		GS	305	3	XX	5/18/60
9. Organizational title of position (if any)		GS		4	XX	5/15/60
11. Department, agency, or establishment Housing and Home Finance Agency		10. Name of employee (if vacancy, specify V-1, 2, 3, or 4) Jane Doe				
a. First subdivision Region II		c. Third subdivision				
b. Second subdivision Administrative Branch		d. Fourth subdivision				
12. This is a complete and accurate description of the duties and responsibilities of my position /s/ Jane Doe (Date)		e. Fifth subdivision				
14. Certification by head of bureau, division, field office, or designated representative /s/ (Date) 8/15/60 Title: Regional Director of Urban Renewal		13. This is a complete and accurate description of the duties and responsibilities of this position Director, /s/ Administrative Management 8/15/60 (Date) Title:				
16. Description of duties and responsibilities [Begin text]		15. Certification by department, agency, or establishment /s/ (Date) 8/18/60 Title: Regional Administrator				

If more space is required, use the other side and additional pages also 2 x 10 1/2

GPO : 1960-O-564822

Section 3

POSITION CLASSIFICATION APPEALS PROCEDURE

There are two types of classification decisions which may be appealed:¹ (1) Decisions covering the series, class or grade of a position under the Classification Act; (2) Decisions as to whether or not a position is covered by the Classification Act.

An employee who has received a 30-day advance notice of a downgrading or loss in compensation resulting from a classification action (see Downgrading of Positions, in Section 2-2-2), may appeal the decision either to the Director of Personnel or to the Civil Service Regional Office, whichever he prefers. However, the Commission encourages employees who desire to appeal a classification action to file their written appeals first with the Agency. Initial appeals either to the Commission or the Director of Personnel must be filed within 30 calendar days after the receipt of the written notice of downgrading or loss of compensation in order to have a favorable decision on the appeal applied retroactively. A further appeal from the Agency's decision if taken 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. (See Effective Date of Salary Change Following an Appeal Decision.)

APPEALS TO THE DIRECTOR OF PERSONNEL

If an employee elects to appeal a classification decision to the Agency, he may do so by forwarding a written statement, either through the Regional Administrator or direct to the Director of Personnel.

The written appeal should include the following information:

- (1) A certification that the position description is accurate; or, if this is not the case, a current and accurate statement of his assigned duties and responsibilities.
- (2) The specific reasons for the employee's opinion that the position has been erroneously classified.

When the appeal has been prepared, it is requested that the appellant forward it through official supervisory channels. Thus, the immediate supervisor is given opportunity to review the statement of duties and responsibilities, and, if he agrees that it is factually correct, to sign the statement. However, as stated above, if the appellant prefers, he may forward his appeal direct to the Director of Personnel. 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. These documents are forwarded to the Director, Administrative Branch, for transmittal to the Director of Personnel.

¹ In addition, administrative decisions as to whether or not an employee, occupying a position the grade of which has been lowered as the result of classification action, is entitled to salary retention benefits, as provided in the Salary Retention Act, may also be appealed. (See Section 2-8-6, Salary Retention.)

The Agency has authority to correct its own decision without referral to the Commission. Therefore, a complete technical reevaluation of the points raised in the appeal is made in the Division of Personnel. If, as a result of this reevaluation, the Director of Personnel agrees with the employee, corrective action will be taken immediately and the employee and the Regional Administrator informed in writing of the decision.

If the decision is unfavorable to the employee, the Director of Personnel shall so inform him and the Regional Administrator, in writing, stating the effective date of the adverse action. The Director of Personnel makes Agency determinations with respect to appeals of grades up through GS-14. Agency decisions on appeals of grades above GS-14 are made by the Assistant Administrator (Administration).

APPEALS TO CIVIL SERVICE REGIONAL OFFICE

An employee appeal to the Civil Service Commission's Regional Office must be in writing and must include the following information as prescribed by the Federal Personnel Manual:

- (1) Appellant's name and mailing address.
- (2) Location of official headquarters.
- (3) Exact location in the organization 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, either on Optional Form 8, or check-list job sheet form, prepared in accordance with the Commission's standard of adequacy for position descriptions on Page P-2-7 of the Federal Personnel Manual, and also in Section 2-2-2. This description may be prepared by the appellant, or it may consist of a copy of the official job description if approved by him as a complete and accurate statement of his duties. Wherever possible, the employee and his supervisor should agree on the description of duties and responsibilities performed.
- (7) Reasons why he believes the position is erroneously classified, or should be brought under or excluded from the Classification Act.
- (8) Statement of any conditions or classification standards known to him which affect the appeal.

The Director of Personnel is required to submit an employee appeal filed through him to the Commission within 30 calendar days of its receipt:

- (1) When the employee has directed his appeal to the Commission through the Director of Personnel and the Director of Personnel does not act favorably on it, or
- (2) When the Agency is not authorized to act on an employee appeal, or
- (3) When the Director of Personnel chooses to refer the appeal without action to the Commission.

The Director of Personnel will, when forwarding the appeal of an employee to the Commission, furnish any relevant facts concerning the employee's position as well as the Agency's justification for its decision.

Upon receipt of an appeal from an employee or from the Agency, an inspector from the Civil Service Commission's Regional Office 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's Regional Office notifies the employee, and the Regional Administrator or the Central Office, whichever has authority to classify the position. The Commission's decision on the appeal is binding on all administrative and certifying officers of the government.

FURTHER APPEALS

The decision of the Civil Service Commission's Regional Office may be further appealed to the Commission's Central Office. Such an appeal is addressed to the Bureau of Inspections and Classification Audits, United States Civil Service Commission, Washington 25, D. C. It must be filed within 7 calendar days after the Civil Service Commission's Regional Office appeal decision is received. A favorable decision by the Commission on the appeal will apply retroactively to the date of the adverse action.

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 beginning of the fourth pay period following the date of a Central Office decision, or the date of receipt in the Regional Office of a Commission decision.

A change brought about by a Commission or an Agency classification appeal decision is retroactive to the date of adverse action when all of the following conditions are met:

- (1) The appeal decision reverses, in whole or in part, a classification action that led to a loss in grade or compensation;
- (2) The appeal decision is based on duties and responsibilities existing at the time of the adverse classification action, rather than on any duties assigned later; and
- (3) The initial appeal and any subsequent appeals were filed within the 30-day time limitations specified in this Section.¹

APPEALS BY VETERANS' PREFERENCE ELIGIBLES

In filing position classification appeals, employees entitled to veterans' preference may follow the procedures outlined in Chapter S1 and R3 of the Federal Personnel Manual. Further information, and assistance on veterans' appeals may be obtained from the Director, Administrative Branch, or the Director of Personnel.

¹ The Commission may extend the time limits specified in this Section if an appellant shows that circumstances beyond his control kept him from filing an appeal, or that he was not notified of the time limit by the Agency.

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 from Government funds:

- (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:

- a. 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.
- b. Expenses may be allowed in only those cases where the transfer is between permanent duty stations.
- c. Employees are not excluded from the benefits of the transfer expense statute by reason of holding other than permanent appointments or for lack of a competitive Civil Service status, if they are otherwise eligible for transfer expenses.

DOCUMENTATION

In all cases of payment of transportation and travel expenses between permanent duty stations or from another Federal department or agency to a Regional or Field Office, 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.¹

APPOINTMENT OF NEW EMPLOYEES IN CRITICAL OCCUPATIONS

Pursuant to the provisions of PL 86-587, the Civil Service Commission has authorized the payment of travel and transportation expenses to first duty post of new appointees and for 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. (See FPM, Chapter T-2, Appendix A of Section 1.) 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.

If Regional Administrators have within their regions other types of positions for which, in their opinion, a manpower shortage exists, requests for authority to pay travel and transportation will be considered by the Director of Personnel. Such requests shall be accompanied by the information required by FPM, Chapter T-2. When national or regional authority appears warranted, the Director of Personnel will negotiate with the Commission or its regional offices in securing additional listing.

In communicating with eligibles on certificates for positions in critical occupations, intent to pay travel and transportation expenses shall be stated clearly, wherever pertinent, in order that no eligible be placed

¹ See also Section 4-2, New Employees Recruited from Another Federal Agency, and Section 2-1-6, Processing Personnel Action.

at a disadvantage over any other by not having received this information. Eligibles shall also be notified of the requirement of PL 86-587 subsection 7(b), that they must agree to remain in the Federal service for a period of one year in order to be entitled to receive travel and moving expenses.

**RESPONSIBILITY FOR DETERMINING ELIGIBILITY FOR PAYMENT OF TRAVEL AND
MOVING EXPENSES**

Regional Administrators are responsible for determining eligibility for and authorizing payment of travel and transportation expenses to employees within their appointing authority who are transferred between permanent duty stations within the Region for the convenience of the Agency.

All other proposed payments of travel and transportation expenses to new duty stations, including those in connection with transfers across regional lines or from other Federal departments and agencies and new appointments to positions for which the Commission has determined that a manpower shortage exists, require the prior approval of the Director of Personnel.

If there is doubt as to whether the payment of travel and transportation expenses is authorized, the case, regardless of grade of the position being filled, shall be referred to the Director of Personnel.

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 noncompetitive 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 Regional Administrators, 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.

Section 6

ENTERING NEW EMPLOYEES ON DUTY

This Section covers procedures to be followed in entering a new employee on duty. Since this is the first formal introduction of the employee to the Agency, every effort should be made to have the induction period organized so as to make a proper impression. The courtesy extended an employee when he enters on duty should be as impressive as if it were a formal ceremony.

FORMS USED

Some forms are completed by all new employees entering on duty; others are used only in certain instances. Listed below are the numerical designations and titles of forms used for various types of appointments. Exhibit A is a checklist devised to assist Regional Offices in determining which forms are needed for specific types of appointment. Exhibit B shows the proper disposition of forms for appointments made by the Regional Office and the Central Office.

Forms for all Types of Appointment

SF-57, *Application for Federal Employment*

SF-61, *Appointment Affidavits (Oath of Office)*

H - 130, *Certification of Private Business and Financial Interests*

CSC Form 385, *Organizations Designated by Attorney General Under E. O. 10450*

W-4, *Employee's Withholding Exemption Certificate*

Additional Forms Used for Specific Types of Appointment

SF-15, *Veteran Preference Claim*

SF-78, *Certificate of Medical Examination*

SF-85, *Security Investigation Data for Non-sensitive Position*

SF-87, *Civil Service Commission Fingerprint Chart*

SF-86, *Securing Investigation Data for Sensitive Position*

SF-144, *Statement of Prior Federal Civilian and Military Service*

SF-105, *Certificate of Membership in the United States Civil Service Retirement System*

H - 128, *Periodic Step Increase*

Miscellaneous Forms

In addition to the above appointment forms, the following are also needed in certain instances:

Form SS-5, *Application for Social Security Account Number*. If a new employee is subject to FICA deductions and has no social security number, Form SS-5 is to be completed. The Regional Office will type the words "Notify Employer" on one end of the form and mail it to the nearest Social Security Administration Field Office. The employee will be notified directly of his number.

Form OAAN-7003, *Employee's Request for Change in Records*. This form is to be completed by employees who wish to make a correction, such as a change of name, in their social security records.

Treasury Department Form No. 2254, *Authorization for Purchase of United States Savings Bonds*. Every new employee should be given the opportunity to join the payroll savings plan for purchase of savings bonds. Form 2254 is used for this purpose.

SF-53, *Waiver of Life Insurance*. Insurance deductions are automatically taken from the salaries of employees subject to the Federal Employees' Group Life Insurance Act of 1954 unless they sign SF-53, *Waiver of Life Insurance Coverage*. This must be explained to an employee when he enters on duty.

Form G-3385, *Federal Employees' Group Life Insurance Policy*. This form is given to all employees with the following exceptions:

- (1) Not given to any employee who has filed Standard Form 53, *Waiver of Life Insurance Coverage*, until he meets the conditions outlined in the Federal Personnel Manual I-3-8, "Cancellation of Waiver."
- (2) Not given to any employee with a temporary time limited appointment unless he is being reemployed with a break in service of 3 days or less and was insured in his previous agency.
- (3) Not given to insured employees who transfer from another agency, unless the previous agency failed to issue it.

Designation of Beneficiary Forms

- SF-54, *Designation of Beneficiary—Federal Employees' Group Life Insurance Act of 1954*
- SF-1152, *Designation of Beneficiary—Unpaid Compensation of Deceased Civilian Employee*
- SF-2808, *Designation of Beneficiary—Civil Service Retirement System*

Any employee who wishes to designate different beneficiaries from those provided by any of the acts dealing with retirement, Federal Employees' Life Insurance, or in connection with unpaid compensation at death, must fill out the appropriate beneficiary form or forms listed above.

SECURITY REQUIREMENTS¹

Non-Sensitive Positions

Accessions to non-sensitive positions usually require the minimum investigation of a National Agency Check, including a check of the fingerprint files of the Federal Bureau of Investigation, written inquiries to appropriate law enforcement agencies, former employers and supervisors, references, and schools and colleges attended by the individual. This is not necessary if the accession is:

- (1) A reassignment or transfer within the Agency;
- (2) By transfer from another Federal agency, provided the indi-

¹ Also see Federal Personnel Manual, Chapter 1-2.

vidual concerned has had an investigation under Executive Order 10450 or Part I, Section 3, of Executive Order 9835. Any employee who has had only a check under Part VI, Executive Order 9835, must be given a National Agency Check when he enters on duty.

(3) By reappointment of a former Federal employee, within one year of his last Federal employment, provided the individual concerned has had the minimum investigation described in (2) above.

Employees appointed by the Regional Office and on whom a National Agency Check is required, should be fingerprinted and asked to complete Standard Form 85 in quadruplicate. The original Standard Form 85 should be forwarded to the Security Officer in the Central Office, and the fingerprint form, Standard Form 87, reference checks, usually H-127A or H-106, Standard Form 57, and three copies of the Standard Form 85 should be sent to the appropriate Civil Service Region. For employees appointed by the Central Office, the procedure is the same as above except that the original of the Standard Form 85 should be sent to the Division of Personnel in the Central Office instead of the Security Officer.

Sensitive Positions

All accessions to sensitive positions require the prior approval of the Central Office Security Officer. When a sensitive position, on which the Regional Office has appointing authority, is to be filled, the Standard Form 52 requesting the action together with the Standard Form 57 and reference checks (personnel folder in the case of a present employee) should be forwarded to the Security Officer. The Security Officer will make a determination as to whether a full field investigation is required and will report this decision promptly to the Regional Office concerned. Interim clearances may be granted. The Regional Office, upon notification that an interim clearance has been granted pending a full field investigation, may enter the employee on duty and have the employee complete Standard Form 86 in triplicate. The original of the Standard Form 86 should be forwarded to the Security Officer and 2 copies together with the Standard Form 87 should be forwarded to the Civil Service Commission, Washington, D. C.

For employees appointed by the Central Office, the Division of Personnel, on the advice of the Security Officer, will notify the Regional Office of appropriate action to be taken on sensitive positions. If a full field investigation is required, the Standard Form 87 and the original and three copies of the Standard Form 86 should be forwarded to the Central Office Division of Personnel.

The Regional Office should notify the Security Officer by memorandum when it wishes to recommend that a position be changed from non-sensitive to sensitive or vice versa.

COMPLETION OF FORMS

Whenever a new employee has been asked to complete his appointment papers, someone should always be on hand to answer any questions he may have about them. The following points may be helpful in this connection.

SF-57 Employees should be advised to sign the Standard Form 57 with their usual signature which will normally be one name,

initial and surname. This signature should be the same as that used on the Appointment Affidavits.

- H-130 The Certification of Private Business and Financial Interests should be completed after the employee has had an opportunity to read the HHFA Manual release, "Conflict of Interest," which is attached to the H-130.
- SF-61 Before completing this form, the new employee should read CSC Form 385. Both the front and back portions of Standard Form 61 shall be completed and the "Information for Appointee" torn off.
- SF-85 or 86 It is important that all periods of employment and unem-
ployment be accounted for on the security forms. A check shall be made to insure that the spouse's date and place of birth and the date and place of marriage are distinguishable on the form.

Verification of Military Service

If the appointee is a veteran, an individual authorized to administer the oath of office must compare the data given by the appointee, in answer to question 15 on the Standard Form 57 concerning his military service, with his discharge certificate or other legal certificates. This verification, for employees appointed by the Regional Office, should be noted in the appropriate space on the bottom of the front page of the Standard Form 57. Verification of military service should be prepared in memorandum form, unless the Standard Form 57 had previously been noted as above, for employees appointed by the Central Office to be forwarded with the Standard Form 61. The certificate should read:

This is to certify that the Discharge Certificate of _____ indicates:

- Date of Entry in active service:
- Date of Separation:
- Branch of Service:
- Serial Number:
- Type of Separation:

(Signature)

(Title)

(Date)

When the employee has served more than one period of military service, enter the above information for each period of service. If these entries differ from those given in question 15, state the reasons for the differences.

ADMINISTERING THE OATH OF OFFICE

The Oath of Office, for employees appointed by the Regional Office, should be administered with the dignity which befits such a ceremony. Have the appointee rise, raise his right hand, and repeat after the person administering the oath, the words contained in part "A" of the Appointment Affidavits. The oath should begin with, "I (employee's name) do solemnly swear (or affirm) that I will support and defend * * * etc."

EXHIBIT A
FORM USE CHART

TYPE OF APPOINTMENT	15 ¹	57	61	78	85	86 ²	87	385	H-130	H-128	105	144	W-4
Temporary Appointment (90 days or less)													
New Employee		x	x					x	x			⁵	x
Former Federal Employee		x	x					x	x			⁵	x
Temporary Appointment (Time limit—more than 90 days)													
New Employee		x	x		x		x	x	x			⁵	x
Former Federal Employee		x	x		⁴		⁴	x	x			⁵	x
Temporary Appointment (Pending establishment of register)													
New Employee		x	x	x	x		x	x	x	x		⁵	x
Former Federal Employee		x	x	³	⁴		⁴	x	x	x		⁵	
Career-conditional Appointment													
New Employee		x	x	x	x		x	x	x	x	x	⁵	x
Transfer or Reinstatement		x	x	³	⁴		⁴	x	x	x		⁵	x
Temporary Annuitant		x	x	x	⁴		⁴	x	x			⁵	x

¹ Filed in connection with 5 point preference based on campaign service, disability, wife, widow, or mother preference. (See FPM Chapter V-1.)

² Used for sensitive jobs only, with Standard Form 87.

³ Depends on the length of break in service since previous medical. (See FPM Chapter M-1.)

⁴ Depends upon degree of security clearance previously held. See "Security Requirements."

⁵ Completed only whenever prior military or civilian service cannot be verified from records in Official Personnel Folder and discharge papers. Need not be completed when there is no showing of prior civilian or military service. It may be requested since previous employment record is generally not available at the time an employee enters on duty.

EXHIBIT B
DISPOSITION OF APPOINTMENT FORMS

FORM NO.	DISPOSITION: with Regional Appointing Authority	DISPOSITION: with Central Office Appointing Authority
SF-15 SF-53	Personnel Folder Personnel Folder	Central Office Central Office
SF-54	Original—Personnel Folder Duplicate—Employee	Both copies—Central Office Duplicate returned to employee
SF-57	For non-sensitive positions, 1 copy with SF-85 and reference letters to CS Region. For sensitive positions, 1 copy with SF-52 and reference letters to Security Officer. 1 copy—Personnel Folder For appointments at GS-9 and above, 1 copy to Central Office with the SF-50	2 copies—Central Office
SF-61	Personnel Folder—Tear Sheet to Employee	Central Office—Tear Sheet to Employee
SF-78	Personnel Folder	Central Office
SF-85	Original copy—Central Office Security Officer—2 copies—CS Region	Original copy—Central Office Personnel Office—2 copies CS Region
SF-87	Forward with SF-85 or SF-86	Forward with SF-85 or SF-86
SF-86	Original copy—Security Officer 2 copies—Washington CSC Office	All copies—Central Office Personnel Office
SF-105	Employee	Employee
SF-144	Personnel Folder	Central Office
H-128	Regional Payroll Office	Regional Payroll Office
H-130	Central Office	Central Office
G-3385	Employee	Employee
CSC Form 385	Employee	Employee
W-4	Regional Payroll Office	Regional Payroll Office
SF-1152	Original—Regional Payroll Office—Duplicate—Employee	Original—Regional Payroll Office—Duplicate—Employee
SF-2808	Both copies—CSC Washington Duplicate returned to employee	Both copies—CSC Washington Duplicate returned to employee
OAAN-7003	Nearest Social Security Administration Field Office	Nearest Social Security Administration Field Office
Form SS-5	Nearest Social Security Administration Field Office	Nearest Social Security Administration Field Office
Form 2254	Regional Payroll Office	Regional Payroll Office

Part 2. Personnel Administration

Chapter 4. Changes in Status and Separations

Section 1

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., to "bump" into 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 positions 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 authority, 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

Regional Representatives 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 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 reduction 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

The Regional Representatives shall submit a memorandum to the Central Office listing the positions to be eliminated and the names of the persons incumbering these positions. The Central Office Personnel Branch will prepare the reduction in force notices and placement offers based on the retention registers and individual qualifications. Notices and offers addressed to Regional employees will be transmitted through the Regional Representative concerned.

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 by the Central Office Personnel Branch. 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 at the appropriate field offices.

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 furlough¹ 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—

- (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

¹ See Section 2-4-2 of this Volume.

- (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 Central Office.

COMPETITIVE AREAS WITHIN THE OA

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, status 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, a hypothetical case is 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 ¹	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.

REDUCTION IN FORCE 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 reason 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 nonpay status. Employees have a right to appeal time in nonpay status to the Civil Service Commission.

¹ An administrative code, based on the Position Classification Codes System, to identify the competitive level.

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 Central Office.

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 nontemporary 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 Region serving his area. OA appeal procedures must be followed before an appeal will be accepted by the Civil Service Commission.

The first of these is the fact that the...
The second is the fact that the...
The third is the fact that the...

CONCLUSIONS

The results of the present investigation...
It is concluded that the...
The following points are noted:

- (1) The first point is that...
- (2) The second point is that...
- (3) The third point is that...

The above points are of importance...
It is suggested that further work...

References are given to the following...
The author wishes to thank...
The work was supported by...

Section 2

POSITION CHANGES AND SEPARATIONS

The following information of a general nature is intended to call attention to certain points in handling position changes and separations. More detailed information is available in the Federal Personnel Manual, Pages X-1-29 through X-1-32.11, covering reassignment and promotion actions; Pages S1-1 through S1-36, covering separations by resignation, transfer or retirement, and taking adverse actions; and Chapter R-5, covering retirement.

POSITION CHANGES

Promotions and Reassignments

All promotion actions shall be made in accordance with the Agency Promotion Guideline and the specific promotion plan applicable.

Non-status employees serving in TAPER appointments cannot be promoted, nor can they be reassigned to a different line of work. In order to effect such a reassignment, or promotion, it is necessary to obtain from the Civil Service Region a temporary recruiting authority (TAPER) for the desired series and grade of position. In such cases Standard Form 50, *Notification of Personnel Action*, should indicate that the new appointment terminates the old.

Demotions and Other Adverse Actions

Generally, proposed adverse actions of any kind should be brought to the attention of the Division of Personnel as soon as possible for advice, assistance, and instructions. While the Federal Personnel Manual (Pages X-1-29 through X-1-32.11) touches on some of the requirements to which adverse actions are subject, Pages S1-1 through S1-36 deal extensively with the matter and should be read in connection with any development likely to result in an adverse action.

Security Considerations

The procedures and security requirements for placing an employee in a Sensitive position by a position change action is generally the same as those for an initial appointment to such a position. (See Section 2-3-6, *Entering Employees on Duty*.)

The Security Officer must be kept informed of any changes which affect an employee in a Sensitive position and the identification of the position itself. Regional Offices must, therefore, notify the Security Officer each time an employee in a Sensitive position is assigned to another position. (See Section 2-2-2, *Position Classification Procedures*, for instructions on handling position classification actions when another position is established in lieu of a position already designated as Sensitive.) The notification must show the name of the employee affected and all position designation information for both positions affected (title, grade, series, and position number.)

An employee who is assigned from a Sensitive position to a non-Sensitive position will generally lose his security clearance for access to security classified information. If he will continue to have access to security information, the usual request for a Sensitive designation of the new position shall be made to the Security Officer.

Conversions

An employee being converted from a TAPER, temporary time-limited, or excepted appointment to career-conditional must complete a new oath of office, Standard Form 61, *Appointment Affidavits (Oath of Office.)*

SEPARATIONS

Because of the Group Life Insurance and unemployment benefits for which employees may have eligibility, the handling of separation actions should be expedited.

The Standard Form 50 must show the specific reason for separation; "Personal reasons" or "ill health" are not sufficient documentation on a resignation action, see R-1-30, Item No. 4 of the Federal Personnel Manual.

Resignations

Whenever possible an exit interview should be conducted to emphasize the significance of some of the more routine-appearing forms, such as the insurance conversion form (see below). It should be made clear to the employee that if he is reemployed by the Government prior to the expiration of the period covered by the lump-sum leave payment, he will be required to refund that part of his lump-sum payment representing the unexpired portion of his leave. He should also be informed of his retirement refund rights and his right, if any, to receive a future annuity. Resigning employees should be encouraged to give full reasons for their resignation.

Retirement

In cases of optional or mandatory retirement, the Regional Office shall be sure that all claimed service is creditable for retirement purposes before forwarding the Standard Form 2801, *Application for Retirement.*

In cases of disability retirement, considerable documentation is required. The following additional supporting documents should be submitted with the Standard Form 2801, *Application for Retirement*:

- (1) Standard Form 2801-A, *Superior Officer's Statement in Connection With Application for Total Disability Retirement.*
- (2) Standard Form 2801-B, *Physician's Statement in Connection With Application for Total Disability Retirement*, and
- (3) Report of examination by a Federal medical officer, if the employee has been examined by a Federal medical officer, or
- (4) Standard Form 112, *Duplicate of Request for Medical Examination.* The original will have been forwarded to the nearest Regional Medical Officer with the Standard Form 2801-A and 2801-B.

Delays in processing can be avoided by making sure all papers are in order before submission to the Civil Service Commission. It should be noted that employees may earn leave on leave while awaiting disability retirement and that they must be kept on the rolls in a leave or leave without pay status until the Agency is informed that the disability retirement has been approved. Upon receipt of approval the separation should be made in accordance with instructions in the Federal Personnel Manual, R-5-42. Standard Form 52, *Request for Personnel Action*, for retirement, should include the employee's home address for the purpose of forwarding important insurance and other documents.

The retiring employee may be eligible for a Certificate of Appreciation (see Exhibit A), provided he has at least ten years of Federal civilian service of which a total of five years has been with the HHFA. A recommendation from the Regional Administrator certifying that the employee has met the above requirements should be included under "remarks" when submitting the Standard Form 52.

The certificate will be prepared in the Central Office, signed by the Administrator, and forwarded to the Regional Administrator for appropriate presentation.

In a retirement case, the free insurance features shall be explained to the retiree if he is covered. See Standard Form 56, *Agency Certification of Insurance Status*.

A roster shall be maintained of retired Regional employees who are willing to be reemployed in the event of a civil defense emergency. One copy of the roster shall be kept in the Administrative Branch in the Regional Office and one at the Regional relocation site. Form H-831, *Retired Employees Civil Defense Registration Form*, shall be used to obtain the necessary information from retiring employees. (See Exhibit B.)

Retiring employees are not, of course, required to register but they should be encouraged to do so. Those interested shall be requested to complete Form H-831 at the time of retirement and return it to the Regional Office as soon as they have established a permanent address. The name of each retired employee who registers shall be kept on the roster for two years.

FORMS USED ON SEPARATIONS AND TRANSFERS

In addition to the usual documentation required on separations and transfers, i.e., Standard Form 52, *Request for Personnel Action*, and Standard Form 50, the following forms are also used:

Standard Form 8—Notice to Federal Employee About Unemployment Compensation—This form, with the name and address of the office where the employee's payroll record is kept, should be given to:

- (1) Employees separated from their jobs,
- (2) Employees who are expected to be on leave without pay for 7 days or more, and

- (3) Employees being transferred to another payroll office.

Standard Form 54—Designation of Beneficiary (Federal Employees' Group Life Insurance Act of 1954)

—The following procedures must be strictly observed. Under no circumstances should a Designation of Beneficiary be given into the custody of an employee for transmittal to the Civil Service Commission.

- (1) In non-disability retirement cases: If the employee has at least 15 years' creditable service, is entitled to an immediate annuity, and has a current Standard Form 54, *Designation of Beneficiary*, on file, send the Standard Form 54 and the original Standard Form 56, *Agency Certification of Insurance Status*, to the Commission together with the employee's application for retirement and supporting papers.
- (2) In disability retirement cases: If employee is still on the Agency rolls, and has a current Designation of Beneficiary on file, send the Standard Form 54 and Standard Form 56 to the Civil Service Commission together with the employee's Standard Form 2806, *Individual Retirement Record*. If the employee is separated before his application for disability retirement is filed with the Commission, follow the procedure stated in (1) above for non-disability retirement cases.
- (3) Where employee does not apply for retirement: Where a separating employee is eligible to retire but defers the filing of his Application for Retirement, retain his current Standard Form 54, if any, in his Official Personnel Folder, and note the bottom margin of the original Standard Form 56 (which is given to the employee), "CURRENT STANDARD FORM 54 ON FILE IN OFFICIAL PERSONNEL FOLDER." The Commission will request the Standard Form 54 from the Federal Records Center when the employee applies for retirement.
- (4) In employees' compensation cases: Attach the current Standard Form 54, if any, to the original Standard Form 56

on which employee is applying to have his insurance continued and send both forms to the Commission.

Standard Form 55—Notice of Conversion Privilege (Federal Employees' Group Life Insurance Act of 1954) An employee subject to FEGLI coverage should be given a Notice of Conversion Privilege when:

- (1) He is separated for any reason, including separation for transfer, except mass transfer, to another agency,
- (2) He completes 12 continuous months in a non-pay status,
- (3) He enters on active duty or active duty for training, unless such duty period is covered by military leave with pay, as a member of a uniformed service, or
- (4) He transfers to a position excluded from insurance coverage.

Standard Form 56—Agency Certification of Insurance Status (Federal Employees' Group Life Insurance Act of 1954) An employee eligible to convert his group insurance to an individual policy must have a certification of his insurance status from his former agency. A file copy of this certificate must be retained in the Official Personnel Folder. If the employee wishes to convert, send him the original and duplicate copy. In the case of retirees, send the original certificate to the Civil Service Commission along with the application for retirement, unless the retiree wishes to convert to an individual plan.

Form FE 6—Claim for Death Benefits (Federal Employees' Group Life Insurance Act of 1954) In case of the death (or dismemberment) of an employee it is the employing office's responsibility to promptly contact the person entitled to the benefit and assist him in filing a claim. Form FE 7 is used for claim for accidental dismemberment benefits.

Standard Form 2800—Application for Death Benefits (Civil Service Retirement System) When an employee subject to the Retirement Act dies, the employing agency should contact the next of kin or emergency addressee and advise such person of the right to apply for death benefits under the Act. The agency should also assist in completing the Standard Form 2800.

Standard Form 1153—Claim of Designated Beneficiary and/or Surviving Spouse for Unpaid Compensation of Deceased Civilian Employee

In case of an employee's death the employing agency should contact the next of kin or person designated in the Standard Form 1152 and advise such person of the right to apply for the unpaid compensation of the deceased employee. The agency should also assist in completing the Standard Form 1153.

EXHIBIT A

Housing and Home Finance Agency



Office of the Administrator

Urban Renewal Administration Community Facilities Administration

Certificate of Appreciation

to

upon retirement from the Federal Service. This Certificate is presented in recognition of your individual contribution to the Housing and Home Finance Agency in providing better housing for the people of America. Your fellow workers join me in expressing our appreciation and best wishes for good fortune.

Date

Administrator

EXHIBIT B

H-851
(4-66)

RETIRED EMPLOYEES CIVIL DEFENSE REGISTRATION FORM

The Housing and Home Finance Agency maintains a roster of retired employees who are willing to be reemployed in the event of a civil defense emergency.

If you will accept such employment during a national emergency, please complete this form in duplicate. In addition, you are requested to keep the Agency advised of your current address for at least the next two years.

Should an emergency occur and your services be needed, you will receive specific notice of a reporting date and place.

NAME _____ GRADE _____

LAST POSITION TITLE _____

ORGANIZATION _____

PERMANENT ADDRESS _____

(Number and Street)

(City)

(State)

HOME
TELEPHONE NUMBER _____

(Signature)

Return this form to: HOUSING AND HOME FINANCE AGENCY

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 the branch to which the employee is assigned 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 Director, Administrative Branch. 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 Administrative Branch shall check its records to assure:

- (1) That all property and other General Services items charged to the employee are listed.
- (2) That all items concerning official indebtedness charged to the employee are listed.

Items not listed will be added to Form H-58. Where applicable, an employee in the Administrative Branch responsible for the items categorized on Form H-58 as (Division of) General Services or Finance and Accounts items shall sign as authorized representative for the respective items. Otherwise, the Director, Administrative Branch, or his designated representative, shall sign for both categories. Form H-58 shall then be 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 Administrative Branch. 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 Administrative Branch.

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

H-58
(8-60)

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.	
<p align="center">_____ Signature and Title of Initiating Official</p> <p align="right">_____ Date</p>	
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.	
<p align="center">_____ Signature and Title of Authorized Representative</p> <p align="right">_____ Date</p>	
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.	
<p align="center">_____ Signature and Title of Authorized Representative</p> <p align="right">_____ Date</p>	
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	
<p align="center">_____ Signature and Title of Initiating Official</p> <p align="right">_____ Date</p>	

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 Administrative Branch or to the Division of Personnel. These offices provide 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 Administrative Branch shall furnish 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 Administrative Branch 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 (b) attainment of age 60 and completion of 30 years of creditable service, including 5 years of civilian service, or (c) attainment of age 55 and completion of 30 years of creditable service, including 5 years of civilian service.

If the employee is under age 60, 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 will answer 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 Administrative Branch shall notify affected employees in grades GS-12 and below, in writing, at least sixty days in advance of the effective date of their separation. The Division of Personnel will be responsible for issuing similar notices to employees in grades GS-13 and above.

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 (see Federal Personnel Manual) 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 Director, Administrative Management, or a trained advisor designated by him, shall assist 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.

TYPES 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 Director, Administrative Management, 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 any one 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 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.

RETIREMENT FORMS

Besides the retirement forms incidental to the retirement record keeping, Regional Offices should maintain a small supply of the following standard forms for use of employees:

Standard Form 105 —*Certificate of Membership in the C. S. Retirement System.*

Standard Form 2800—*Death Benefits.*

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.*

Standard Form 2804—*Voluntary Contributions.*

Standard Form 2808—*Designation of Beneficiary.*

Employees, or former employees who have been separated less than 30 days, should submit Standard Forms 2801, 2801-A, 2801-B, 2802, and 2803, as appropriate, together with necessary supporting papers, to the Civil Service Commission through the Administrative Branch or the Division of Personnel, depending upon which office holds his retirement record. The other forms may be sent directly to the Civil Service Commission, Washington 25, D. C.

Section 5

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 VIII 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 Administrative Division.

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 Administrator¹ 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 Administrative Division shall send the appropriate determining official a *90-Day Advance Notice*, Form H-837 (Exhibit A), advising 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.

¹ 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.

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, 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 Regional Director of Administration no later than the date it is issued to the employee.¹

Determination

Two weeks before the end of an employee's waiting period, the Administrative Division shall forward two copies of the *Request for and Action on Determination*, Form H-838 (Exhibit B), to the appropriate determining official. The determination shall be made, and two copies of the Request for and Action on Determination completed and returned to the Regional Director of Administration so as to arrive no later than the Wednesday following the Normal Eligible Date. The Administrative Division shall review and authenticate the forms, and complete 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 Regional Director of Administration 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 Regional Director of Administration.¹

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

¹ If the Regional Office does not have delegated authority to take personnel action, the Regional Director of Administration shall supply a copy to the Director, Division of Personnel.

Regional Director of Administration may extend more time if circumstances warrant);

2. be submitted in writing to the Regional Director of Administration, in two copies;¹
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 Regional Director of Administration 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.¹

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 Regional Director of Administration no later than the date it is submitted to the employee.¹ The Regional Director of Administration 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 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.

¹ If the Regional Office does not have delegated authority to take personnel action, the Regional Director of Administration shall supply a copy to the Director, Division of Personnel.

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 Regional Director of Administration a memorandum, in duplicate, so certifying. A copy of this memorandum must be given to the employee concerned.¹

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 Administrative Division shall send the determining official two 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 Regional Director of Administration (2 copies).¹ 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 foregoing procedure 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.

¹ If the Regional Office does not have delegated authority to take personnel action, the Regional Director of Administration shall supply a copy to the Director, Division of Personnel.

10/21/63

HHFA - 0A

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

2-4-5

HHFA - OA

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-in 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.)

WITHIN-GRADE SALARY INCREASE
REQUEST FOR AND ACTION ON REDETERMINATION

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)

 The above named employee is now performing at an acceptable level of competence.

The above named employee's work has not reached an acceptable level 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 _____

EXHIBIT C

Normal Within-Grade Salary Increases

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 92 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 6

DETAILS

A detail is a temporary assignment of an employee, for a specific period, to a position other than the one to which he is regularly assigned, without change in his civil service or pay status.

AUTHORITY TO MAKE DETAILS

Regional Administrators, within their regions, are authorized to approve:

- (1) The detail of any employee whose grade is within the scope of the Regional Administrator's appointing authority.
- (2) The detail of any employee for a period of less than 30 days; or, of a career or career conditional employee for 30 days or more to perform the duties of an i.a. position or one of the same grade, series, and basic duties as that to which he is regularly assigned.

Prior approval of the Director of Personnel shall be obtained for other types of detail.

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

During the first three months following an employee's competitive appointment he may not be detailed except for emergency periods of 30 calendar days or less.

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.

A detail that will exceed six months in any consecutive 12 month period, must have the prior approval of the Civil Service Office which

exercises certification and recruiting jurisdiction for the position in question. Ordinarily such long term personnel needs should not be met on a detail basis.

PROCEDURE

A detail for a period of less than 30 days is ordinarily made on an informal basis and is not recorded.

A detail of a career or career conditional employee for a period of 30 days or more, but less than six months, to perform the duties of a position which is either an i.a. position or one of the same grade, series, and basic duties as that to which he is regularly assigned, shall be recorded by memorandum. Copies of the memorandum shall be furnished the employee, the offices to and from which he is detailed, and the Administrative Branch. The original shall be filed in the employee's personnel folder.

All other details shall be requested on Standard Form 52, *Request for Personnel Action* and shall be supported by the data indicated below.

Details in Excess of 30 Days But Less Than Three Months:

If detail is not to a classified position, include on Standard Form 52, under "Remarks" a brief statement of administrative need and the duties to be performed.

Details in Excess of Three Months, But Less Than Six Months:

Attach a memorandum stating administrative need for duration of detail.

Optional Form 8, *Position Description*. If detail is not to a classified position.

Details in Excess of Six Months:

Standard Form 59, *Request for Approval of Noncompetitive Action*.

Standard Form 58, *Experience and Qualification Statement*.

Optional Form 8, *Position Description*.

When the Regional Administrator is authorized to make the detail, Standard Form 52 and supporting data shall be retained in the employee's personnel folder. If such a detail will exceed 6 months, Standard Forms 59, 58 and optional Form 8 shall be forwarded to the appropriate Civil Service Regional Office for prior approval.

When prior approval of the Director of Personnel is required, Standard Form 52 and supporting data shall be submitted to the Central Office. This should be done sufficiently in advance of the proposed effective date of the detail to allow time for consideration and action, including, where necessary Civil Service Commission approval.

DETAILS BETWEEN REGIONS OR BETWEEN A REGION AND CENTRAL OFFICE

All details between Regions or between a Region and Central Office shall be approved by the Director of Personnel.

The office to which an employee is being detailed shall be responsible for initiating Standard Form 52 requesting the action. That office shall also maintain Standard Form 1130, *Time and Attendance Report*.

The office to which an employee is regularly assigned shall be responsible for forwarding leave balances to the office to which he is being detailed.

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 Regional Administrator, through supervisory channels, for written concurrence (Section III of Form H-840) and forwarding to the Regional Director of Administration.

The Regional Director of Administration or his designee 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, and forward it to the Executive Secretary of the Incentive Awards Committee. 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; and the first and second copies shall be forwarded to the Regional Administrative Division through the Regional Administrator.

Upon receipt of the first and second copies of the approved nomination, the Administrative Division shall forward the first copy to the employee through the initiating supervisor, retain the second copy for its files, and 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 Regional Administrator, 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.

EXHIBIT A

HOUSING AND HOME FINANCE AGENCY				H-840 (12-64)
NOMINATION FOR AND ACTION ON PERFORMANCE RECOGNITION				
An original and two signed copies of this form shall be used for submitting nominations for performance recognition. The supervisor of the employee being nominated must complete sections I and II and attach the required material before submission. For further information and instructions refer to the appropriate Manual sections, as indicated under TYPE OF RECOGNITION.				
SECTION I. TYPE OF RECOGNITION				
Superior Service Award (III, 2-5-2; V, 2-5-2):				
<input type="checkbox"/> Sustained Superior Service		<input type="checkbox"/> Quality Increase (III, 2-4-7; V, 2-4-7)		
<input type="checkbox"/> Special Act or Service		<input type="checkbox"/> Outstanding Rating (III, 2-5-1; V, 2-5-1)		
SECTION II. BACKGROUND INFORMATION				
NAME OF EMPLOYEE		POSITION TITLE, SERIES AND GRADE		CURRENT SALARY
OFFICE OR REGION			DIVISION	
YEARS IN HHFA	YEARS IN PRESENT POSITION	DATE OF LAST PROMOTION	DATE OF LAST STEP INCREASE	
PERSONNEL ACTIONS PENDING, IF ANY:				
Performance Recognition in past three years:				
<input type="checkbox"/> Outstanding rating		<input type="checkbox"/> Quality Increase		
<input type="checkbox"/> Superior Service Award		<input type="checkbox"/> Other (Specify: _____)		
SIGNATURE OF SUPERVISOR MAKING NOMINATION		TITLE	DATE	
SECTION III. CONCURRENCE AND ACTION				
SIGNATURE OF CONCURRING OFFICIAL		TITLE	DATE	
The Incentive Awards Committee has made the following recommendation:				
		_____ (Chairman) (Executive Secretary)	_____ Date	
This nomination is (approved) (disapproved).				
		_____ Title	_____ Date	

Section 1

PERFORMANCE RATING PLAN

OBJECTIVES AND COVERAGE

This Section prescribes the Performance Rating Plan established for Regional 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 (1) provides staff services required by this plan, (2) and develops instructions, procedures, and records, or other documents necessary to the proper operation of the Performance Rating Plan.

Regional Administrators 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.

Outstanding and *Unsatisfactory* ratings within each region shall be reviewed, together with the required supporting documents, by the Regional Administrator or his designee prior to referral to the Division of Personnel. If the Regional Administrator 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 OA.

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. Form H-117A, except in cases of *Outstanding* or *Unsatisfactory* ratings, shall be forwarded to the Director, Administrative Management, for filing in employee personnel folders or for forwarding to the Director of Personnel, as appropriate. In cases of *Outstanding* or *Unsatisfactory* ratings, both Forms H-117 and H-117A, together with the required supporting documents, shall be forwarded to the head of the Administrative Branch, who, after a procedural review, shall transmit them

to the Regional Administrator. Following the review, comment, or recommendation of the Regional Administrator, the head of the Administrative Branch shall transmit them to the Director of Personnel.

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 Regional Administrator.

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, (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.

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 (4-61)
<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><input type="checkbox"/> Outstanding <input type="checkbox"/> Satisfactory <input type="checkbox"/> Unsatisfactory</p>		
<p>_____</p> <p>(Supervisor-Refer)</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 HHFA Manual, Volume III (Central Office) or Volume V (Field Service), for further information.

EXHIBIT A (Page 3)

<p>HOUSING AND HOME FINANCE AGENCY OFFICE OF THE ADMINISTRATOR</p> <p>NOTICE TO EMPLOYEE OF PERFORMANCE RATING</p>	<p style="text-align: right;">H-117A (4-61)</p> <p>NAME _____</p> <p>TITLE AND GRADE _____</p> <p>ORGANIZATION _____</p> <p>RATING PERIOD _____</p>
<p>1. 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: right;">_____</p> <p style="text-align: center;">(Supervisor-Rater)</p>	
<p>2. I have reviewed the duties and responsibilities of the position occupied by the employee. The official position description of record is:</p> <p style="margin-left: 40px;"> (1) <input type="checkbox"/> Current and Accurate (2) <input type="checkbox"/> *Accurate with Minor Exceptions (3) <input type="checkbox"/> *Inaccurate </p> <p>*If (2) or (3) is checked, action shall be initiated promptly by the supervisor to correct The position description.</p> <p style="margin-left: 40px;"> _____ (Supervisor-Rater) _____ (Title) _____ (Date) </p>	
<p>3. I have discussed the performance requirements of my position and my performance rating with my supervisor. I do not hereby waive any of my appeal rights.</p> <p style="text-align: right; margin-right: 100px;">_____</p> <p style="text-align: center;">(Employee's Signature)</p>	

GPO 9 10755

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 : Richard Roe, Region VI

SUBJECT: Outstanding Performance Rating

A performance rating of Outstanding is recommended for Mr. David Smith, Field Representative, GS-9, who has been in his present grade and position since March 1, 1958. The following analysis of Mr. Smith's performance is submitted:

1. DUTY: REVIEW AND ANALYSIS OF APPLICATIONS.

Table with 2 columns: Normal Requirements, Actual Performance. Row 1: On the basis of information in the files and precedent reviews and analyze... In addition to competence in handling routine processing, incumbent has prevented delays in processing...

4. DUTY: PREPARATION OF REPLIES TO COMMUNICATIONS RELATING TO LPA PROGRAMS.

Table with 2 columns: Normal Requirements, Actual Performance. Row 1: Replies must be clear cut, accurate and helpful on the particular problem... Incumbent is extremely skillful in preparing replies to complex and difficult communications...

5. DUTY: PERIODIC AND SPECIAL REPORTS TO REGIONAL DIRECTOR OF URBAN RENEWAL.

Table with 2 columns: Normal Requirements, Actual Performance. Row 1: Prepares memoranda and reports on ways and means to improve procedures, methods... Incumbent's reports on consultations with...

SUMMARY: The Field Representative represents the Regional Administrator in day-to-day contacts with communities in the Region, and the effectiveness with which the Urban Renewal Program operates in the area...

and assistance normally requires... ground knowledge and grasp of the program have made the incumbent a valuable participant in special assignments involving policy interpretation.

Regional Director,
Urban Renewal

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. Separate policies dealing with Quality Within-Grade Salary Increases are to be found in Volume II, 3-2-10.

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 review and recommend approval of nominations 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 Management Review Committee for their recommendation to the Regional Administrator. If approved, he shall forward it 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 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.

Procedures for Submitting Suggestions

Employee Suggestion Form, H-142, is provided for the submission of employee suggestions. The use of this form is not mandatory. Suggestions should be forwarded directly to the Management Review Committee, and receipt shall be acknowledged within three days by either the Committee Secretary or someone else so designated; however, they may be forwarded directly to the Incentive Awards Committee if the employee so desires. Information contained on the upper portion of Form H-142 shall be kept confidential by the Secretary until a determination regarding the suggestion has been made:

Suggestions should be as fully developed as possible when they are submitted. Any idea, method, procedure, or device which is ready for adoption when it is received by the Committee will usually receive greater recognition than a similar suggestion which needs further development. An employee with a suggestion should develop it as far as he can before submitting it. However, if he finds that he cannot develop all the details, he should submit the suggestion and indicate the extent of any research he has made into these details.

Regional Office Management Review Committee

Employee suggestions shall be numbered in the following manner: Regional Office number, current fiscal year, and a serial number; e.g. VI-64-1.

The Management Review Committee shall evaluate, adopt, or reject all suggestions which pertain to the operations of the Region. The Committee shall, in addition, determine the amounts of awards not in excess of \$100, as well as the eligibility of the suggester for an award. Recommendations for awards over \$100 shall be forwarded to the Incentive Awards Committee, Attention: Executive Secretary. The recommendation shall be accompanied by the documented suggestion, and the Regional Management Review Committee shall supply all the documentation used by the Committee in making the recommendation, whether the recommendation is based on intangible benefits or tangible savings.

If the Regional Committee adopts the suggestion, one copy, including the name and position title of the suggester and the amount of the award, shall be sent to the Executive Secretary, Incentive Awards Committee, no later than 15 days after its adoption.

All evaluations made of Employee Suggestions by Management Review Committees shall be submitted on Form H-177A, *Report on Employee Suggestion* (Exhibit A). All applicable items on this form must be completed before submission to the Central Office.

If a suggestion is substantially similar to a previous contribution which was not adopted, but is now determined to be eligible for an award, it shall be the responsibility of the Management Review Committee to determine the priority rights of the original suggester.

If the Committee does not approve the recommended award, it will so advise the suggester by a memorandum which shall include the reasons for the decision.

Suggestions regarding nationally used forms or those which have ultimate use by authority of the URA, CFA or OA shall be sent to the Incentive Awards Committee, using Form H-177A as a transmittal, with a recommendation for appraisal before any cash award is made. Suggestions which affect procedures and policies promulgated by the Central Office or other Government agencies shall be forwarded to the Incentive Awards Committee irrespective of their award value, and shall include name and position title of the suggester.

Consideration by the Central Office

For suggestions adopted by the Regional Committee and warranting further consideration, the Central Office shall either consider the adoption of the suggestion on a nation-wide basis or circulate the suggestion for comments or local adoption to the other Regional Management Review Committees. If the suggestion concerns an aspect of a program of one of the constituent units (CFA, URA) the suggestion shall be circulated by the appropriate constituent unit. If the suggestion concerns other matters, it shall be circulated by the Management Analysis and Procedures Branch (MAPB), Division of Budget and Management.

Employee suggestions circulated to the Regional Management Review Committee following adoption in one region or as a part of the review of a suggestion originating in the Central Office shall be considered by the Regional Committee and a report made within thirty (30) days to the constituent unit or the MAPB, as appropriate. If a report cannot be made within this time limit, notification and an explanation shall be made to the requesting unit.

The Incentive Awards Committee shall forward to the Civil Service Commission any suggestion it believes is worthy of Government-wide consideration. In the case of suggestions adopted by other Regional Offices, the Committee shall advise the referring Regional Office as to the total savings effected by the suggestion and the additional award, if any, which should be made. All additional awards shall be made by the Regional Office making the original award. In the event the total award exceeds \$100, the Central Office will be responsible for approving payment.

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 in 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

On October 1 of each year, beginning in 1965, each Regional Administrator shall supply the Director of Personnel with a list containing the names and sex of all employees who will become eligible in the *following calendar year* for length of service awards in each of the categories listed above. Pins will be issued from the Central Office on the basis of these lists and Regional Administrators shall distribute the pins to the employees at the end of the month in which the recipient reaches his anniversary. At that time, a list of presentations shall be sent to the Central Office for publication in the Staff Bulletin.

The Regional Director of Administration shall install a system of follow-up signals on Standard Forms 7 and Optional Forms 4-B in accordance with Civil Service Handbook S812, in order to facilitate supplying this information at the proper time.

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. Fleming 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

To provide for recognition of suggestion award winners in the Staff Bulletin, all suggestions adopted by the Regional Offices shall be accompanied by a statement including the suggester's name, description of suggestion, and amount of award when forwarded to the Central Office. However, such suggestions will not be published until they have been reviewed by the Central Office.

Staff Bulletin notices of suggestions originating in the Regional Offices and approved by the Incentive Awards Committee will be prepared in the Central Office. Such notices will be published after the Incentive Awards Committee is notified by the Regional Office that the approved award has been made, or if no notice is received, 30 days after the Regional Office has been informed of the approval.

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 the regular promotion plan procedures, information relating to any awards granted shall be considered along with all other pertinent data in making a final selection.

ACCOUNTING INSTRUCTIONS

Upon approval of a cash award, the Regional Administrator shall authorize payment in writing to the Regional Director of Administration.

Award payments shall be made from the current 86 0100 Salaries and Expenses appropriation account in the same manner as other administrative expenses are processed for payment and shall be charged to Object Class 13 Refunds, Awards and Indemnities. Regional operating budgets include funds within the total allocation estimated to be sufficient to cover normal award payments.

QUARTERLY REPORTING

Each Regional Office shall prepare a quarterly report on the employee

suggestions it approves or rejects. The reports should not cover suggestions referred (original only) from another Regional office. The information required in Form H-826 shall be furnished to the Executive Secretary, Incentive Awards Committee, by the fifteenth day of the month following the reporting quarter. The report dated June 30 should be cumulative, covering the suggestion program for the entire fiscal year.

EXHIBIT A

HOUSING AND HOME FINANCE AGENCY INCENTIVE AWARDS PROGRAM REPORT ON EMPLOYEE SUGGESTION <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	
			DUE DATE	
			ANALYST	EXTENSION
ROUTE IN SEQUENCE INDICATED TO:	ROOM	CENTRAL OFFICE ACTIONS	REGIONAL OFFICE ACTIONS	
		Suggestion submitted for:	Suggestion submitted for:	
		<input type="checkbox"/> Review and comment	<input type="checkbox"/> Consideration for adoption on Local Option basis	
		<input type="checkbox"/> Consideration for adoption	<input type="checkbox"/> Review and comment on possible National Adoption	
Executive Secretary, OA Committee	210-N	<input type="checkbox"/> Consideration for National adoption	<input type="checkbox"/> _____	
Management Analysis and Procedures Branch	505-N	<input type="checkbox"/> _____	<input type="checkbox"/> _____	
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 into effect. Specifically identify all HHPA 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:

C. DO YOU KNOW OF ANY OTHER PART OF NHFA 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:

<i>Travel, printing, and other administrative savings (specify):</i>	\$
<i>Personnel savings:</i>	
Man years _____ X Annual salary \$ _____ =	\$
	\$
Total of Gross Annual Savings	\$
<i>Estimated cost of installation (Estimate only if costs are significant)</i>	
	\$
Net estimated annual savings in first full year	\$

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.

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

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.¹

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.

¹ 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.¹

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.

¹ 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 2-1-4 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 HHPA 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.

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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:¹

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.

¹ 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).

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 procedures¹ 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, or have already completed, a probationary period.

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, and leave without pay which does not exceed 22 working days, 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 the efficiency of the service and he has the right of 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

¹ See Appendix B to Section 5, Chapter S-1, FPM.

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 APPOINTMENTS MADE UNDER REGIONAL ADMINISTRATOR'S AUTHORITY

After receiving an appointment or being converted to an appointment requiring a probationary or trial period, an employee shall be informed by memorandum of the purposes of such period and date it will begin and end (Exhibit A).

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) Observe carefully the employee's conduct, general character traits, and performance.
- (2) Make every effort to understand the employee's on the job problems, and give him proper job guidance.
- (3) Study the employee's potentialities and determine his suitability for government work.
- (4) 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.
- (5) 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 Director, Administrative Branch, shall notify the employee's supervisor, in writing, of the approaching completion date of the period and of the certification required (Exhibit B). 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 Director, Administrative Branch. This will permit sufficient time to take necessary action if the employee's service is unsatisfactory.

Through supervisory channels, the Director, Administrative Branch, shall notify the employee in writing, upon the satisfactory completion of his probationary or trial period (Exhibits C and D).

Separations¹

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

¹ See Appendix B to Section 5, Chapter S-1, FPM.

for continued Federal service, his supervisor shall withhold certification of the notice required for satisfactory employees. Instead, he shall prepare a brief memorandum, not later than the completion of the tenth month of service, recommending separation action and (1) explaining why the employee is unsatisfactory and (2) outlining the measures that have been taken toward correction. The memorandum shall be addressed to the Regional Administrator through the Director, Administrative Branch, and shall provide space for the concurrence of the Regional Administrator. The Regional Administrator's signature on the supervisor's memorandum recommending separation is the authority for issuing to an employee under Regional Office appointing jurisdiction a formal separation notice on Standard Form 50, *Notification of Personnel Action*.

If the recommended separation is not within the Regional Administrator's appointing authority, but he concurs in the action, a memorandum signed by him explaining why the employee is unsatisfactory and what measures were taken toward correction shall be forwarded to the Director of Personnel.

The effective date of the separation notice shall not be later than the completion date of the normal probationary or trial period and it shall 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 shall 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 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 shall be filed in his official personnel folder.

EXHIBIT A

H-96 (5-60)

UNITED STATES GOVERNMENT

Memorandum

HOUSING AND HOME FINANCE AGENCY

TO :

DATE:

FROM : Director, Administrative Branch

SUBJECT: Trial or Probationary Period

Almost all new appointments to the HHFA are made subject to the completion of a one year trial or probationary period. Trial and probationary periods are in effect, an extension of the personnel examining process. They permit the Agency through its supervisors, to evaluate both employee potential and on the job performance as a further check against the written or unassembled examinations and oral interviews used prior to the original selection of an employee for employment.

Your recent appointment is subject to such a trial period. Your supervisor is responsible for being certain that you understand the performance standards expected for your position, and for seeing that you have adequate on the job training. He will carefully observe your conduct, general character traits, and job performance.

Although employees are usually kept posted on the calibre of their performance, satisfactory employees receive a formal notice regarding their performance toward the end of the trial period. During the trial period unsatisfactory employees may be dismissed from the service without recourse to the usual separation procedures.

You will find a full discussion of trial and probationary periods in Section 2-5-5, HHFA Manual Volume V, OA Field Service. If you have any questions regarding your status during this period, you should feel free to discuss them with your supervisor or if you prefer with a member of the Administrative Branch.

Director, Administrative Branch

Date of Appointment:

Serving a _____ Period

Date of termination of trial or probationary period _____

EXHIBIT B

H-96 (5-60)

UNITED STATES GOVERNMENT

HOUSING AND HOME FINANCE AGENCY

Memorandum

TO : (Supervisor)

DATE:

FROM : Director, Administrative Branch

SUBJECT: Probationary or Trial Period

The probationary or trial period which the above employee is serving, will be completed at the close of business _____.

Before the employee is officially notified of the satisfactory completion of the probationary or trial period, it is necessary that you make the certification below regarding performance, conduct, and general character. If such certification cannot appropriately be made, a memorandum should be immediately sent to this office citing character or performance factors which have not been satisfactory and outlining the measures that have been taken toward correction (See Section 2-5-5 of HHFA Manual Volume V).

Director, Administrative Branch

C E R T I F I C A T I O N

I certify that the performance, conduct, and general character of _____ has been satisfactory during the probationary or trial period.

EXHIBIT C

H-96 (5-60)

UNITED STATES GOVERNMENT

Memorandum

HOUSING AND HOME FINANCE AGENCY

TO :

DATE:

FROM : Director, Administrative Branch

SUBJECT: Completion of Trial Period

At the close of business _____ you completed your trial period and your supervisor has certified that your performance has been entirely satisfactory.

I am sure you recognize the significance of the completion of your trial period. You will reach your next Federal milestone on _____ when your appointment will be converted to Excepted-Career. After the completion of five years of service you will have full participation in the Civil Service Retirement System.

If you have any questions concerning your appointment, please do not hesitate to contact the Director, Administrative Branch.

Director, Administrative Branch

5/12/61

EXHIBIT D

H-96 (5-60)

UNITED STATES GOVERNMENT

HOUSING AND HOME FINANCE AGENCY

Memorandum

TO : (Employees)

DATE:

FROM : Director, Administrative Branch

SUBJECT: Completion of Probationary Period

At the close of business _____ you completed your probationary period and your supervisor has certified that your performance has been entirely satisfactory.

I am sure you recognize the significance of the completion of your probationary period. You will reach your next Federal milestone on _____ when your appointment will be converted to a career appointment. At that time you will have permanent reinstatement rights. After the completion of five years of service you will then have full participation in the Civil Service Retirement System.

If you have any questions concerning your appointment, please do not hesitate to contact my office.

Director, Administrative Branch

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 assume 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 of 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 Regional Administrative Officer who will arrange for necessary pay roll action and bring the notice to the attention of the Regional Administrator. Any other claim or complaint shall be referred to the Regional Administrator or his designee 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 employee's Official Personnel Folder.

Section 7

AWARD RECOGNITION

Whenever an HHFA employee receives favorable recognition relating to his job or outside activities, he should be requested to complete Form H-143, *Public Information Questionnaire*, in order that such recognition may receive due notice in newspapers and appropriate periodicals. Upon receipt of the completed Form H-143, the Regional Office shall notify the employee's hometown newspapers, college publications, fraternities and sororities, and professional organizations. A copy of such notice shall also be put in the employee's Official Personnel Folder.

Public Information Questionnaires completed by Housing Interns and winners of Agency-wide and similar awards, such as the HHFA Distinguished Service Award, and the Fleming and Rockefeller awards, shall be sent to the Central Office for press release preparation.

Supplies of Form H-143 can be procured through usual requisitioning channels.

Section 1

ATTENDANCE

This Section provides policy and procedural guidance to Regional Offices with respect to normal tours of duty, legal holidays, excused absences, and office closing.

NORMAL TOURS OF DUTY

The administrative workweek for the field service shall be 40 hours. The tour of duty shall be 5 days of 8 hours each from Monday through Friday.

Each Regional Administrator shall establish, by written notice, the normal duty hours for offices within his Region, conforming generally to the recognized customs of the communities in which such offices are located. A copy of each notice establishing hours of duty in the Regional headquarters shall be furnished the Director of Personnel, for the information of Central Office.

When it is administratively desirable to establish tours of duty or hours of duty for an employee or group of employees differing from the normal tour or hours, the Regional Administrator is authorized to do so.

Regular tour of duty schedules for intermittent employees may be established by the Regional Administrator, with copies of such schedules furnished the Division of Personnel in the Central Office. 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.¹

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.

EXCUSED ABSENCES

Employees shall be excused from duty:

- (1) On any day declared to be a holiday by Federal statute or Executive order;
- (2) On any day on which the departments and establishments of the Government are closed by Executive order; and
- (3) On any day on which such employees are relieved or prevented from working by administrative order.

¹ In order for a part-time or intermittent employee to earn annual and sick leave he must be scheduled for work in advance. The schedule must provide for duty in each administrative worksheet and must indicate specific dates or days and hours of duty within the administrative worksheet. Generally, such schedules must be established at least one pay period in advance and cover at least one pay period. (See Sections 2-7-4 and 2-7-5 for leave accrual rates.)

LEGAL HOLIDAYS

The holidays enumerated below shall be observed as non-workdays:

New Year's Day	January 1
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.

Whenever a holiday observed as a non-workday falls on a Sunday, the holiday shall be observed the following Monday.

Inauguration Day, January 20, is a 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.

Additional non-workdays may be prescribed by statute or Executive order.

ADMINISTRATIVE ORDERS RELIEVING EMPLOYEES FROM DUTY

Regional Administrators are authorized to issue administrative orders excusing regular¹ employees from duty without a charge to leave for short periods of time not exceeding three consecutive workdays in any single period of excused absence if such employees have been prevented from working because of the administrative closing of a Regional or field office pursuant to the provisions of this Section, or if an emergency situation meeting the criteria outlined in Chapter L-1-35-36 of the Federal Personnel Manual prevents any group of such employees or any individual from reporting to work. The authority to excuse employees from duty without a charge to leave in emergency situations does not include the right to excuse any employee from an appropriate leave charge in circumstances where he was reasonably expected to be in annual, sick, or leave without pay status on the particular day or days of the emergency. Each such order shall be in writing with copies provided for the Administrative Branch and the Central Office Division of Personnel.

OFFICE CLOSING

The Regional Administrator shall close Regional and field offices on any day declared to be a holiday by Federal statute or Executive order or on any other day on which departments and establishments of the Government are closed by Executive order. In addition to the preced-

¹ Employees who are compensated at per annum, per diem, hourly, or piecework rates and who have a regular tour of duty.

ing, the following days are observed as non-workdays in Region VII only, as celebrated by the Commonwealth of Puerto Rico authorities:

Three Kings Day	January 6
Constitution Day	July 25

Regional Administrators are authorized to close the Regional Office and/or field office(s) for no longer than 3 consecutive workdays when it is impossible for employees to report to work because of an act of God or failure of transportation facilities, etc., or when such conditions as the lack of heat would clearly endanger the health or safety of the employees. Any such order shall be in writing and a copy shall be furnished the Assistant Administrator (Administration) promptly. In addition, in the event the Regional Office is closed, the Assistant Administrator (Administration) shall be notified immediately. If circumstances warrant the closing of an office for more than 3 workdays, the Regional Administrator shall request approval from the Assistant Administrator (Administration), specifying the anticipated dates of and the reason for the closing.

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

Each Regional Administrator has been authorized to order or approve official overtime work or work on a legal holiday by full-time employees under their direction, subject to the provisions of this Section.

The authority to order or approve official overtime work or work on a legal holiday may be redelegated.

The Regional Administrator may establish tours of duty which include regularly scheduled night work as provided in Section 2-7-1.

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 work-week. 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 compensation money or time off for overtime work will be made to employees in Grade GS-12 and above except in very unusual cases pursuant to specific approval by the Regional Administrator. 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 Regional Administrator.

The Regional Administrator 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 Administrative Branch together with the Stock Form 1130, *Time and Attendance Report*,¹ 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, 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.

¹ Section 2-7-7, Time and Attendance Reports.

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 Allowances 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 by-weekly pay period) from receiving overtime compensation may not be granted compensatory leave in lieu of such prohibited overtime compensation. Compensatory 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 so scheduled by employees' leave approving officers 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 Administrative Branch 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 Administrative Branch 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 Regional Office number 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 Administrative Branch 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 holiday¹ or a day observed in lieu thereof which falls within his basic 40-hour workweek 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 thereof which falls within his basic 40-hour workweek 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 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 workweek 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.

¹ See Section 2-7-1, Normal Tours of Duty.

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 of Personnel Action*, or other document approved by the Regional Administrator, in the case of employees for whom the Regional Office has authority to approve personnel actions, or the Director of Personnel.¹ 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.²

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.³

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.

¹ See Section 2-7-1, Normal Tours of Duty.

² See 36 Comp. Gen. 734.

³ See 36 Comp. Gen. 733.

EXHIBIT A

NHFA - 04

APPROVAL OF OVERTIME WORK

(1) Reporting Unit Administrative Branch, Region IV (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														(7) Total	(5) Lending Unit (if employees were borrowed)	
	First Week							Second Week									
	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S			
Everett, Mary T.								3	2						8		
Green, Helen A.								3	1	2					6		
Newton, Frank B.								3							11		
Roe, Richard A.								2	2						4		
(4) BORROWED EMPLOYEES																	
Walker, Mary F.																Engineering Branch	
Walters, John E.																Financial Analysis Br.	
(8) Total								6	2	2					12	9 8 1/2	(9) 41

(10) Justification for Overtime
 To prepare end-of-year financial reports. Deadline project required by Central Office which could not be completed without overtime work in view of regular workload and limited staff. (11)

1/ Holiday work (Memorial Day)

John M. Doe
 (Name)
Director, Administrative Management
 (Title)

Section 3

LEAVE—GENERAL PROVISIONS

COVERAGE

All Regional 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.

Regional Administrators are responsible for leave administration within their respective jurisdictions. Regional Administrators 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 *Division of Personnel* in the Central Office is responsible for the development and interpretation of leave policy.
- (2) The *Regional Administrative Branch* is responsible for the maintenance of leave records and for interpreting regulations concerning the maintenance of these records.
- (3) Each *Regional Administrator* 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 bi-weekly 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)—A nonpay status resulting from an agency determination that it will not grant any type of leave (including leave without pay) for a period of absence for which the employee did not obtain advance authorization or for which his request for leave on the basis of alleged sickness has been denied.

Accrued leave—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—Authorized absence without charge to annual leave or loss of compensation 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, Federal or District of Columbia court. Municipal courts are considered state courts, for this purpose.

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 are employed on an irregular or occasional basis whose hours or days of work are not based on a pre-arranged schedule and who are compensated only for the time when actually employed or for service actually rendered.

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)—Temporary 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.

Maternity leave—A period of approved absence for reasons related to pregnancy and confinement.

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—not more than 15 calendar days of any calendar year—from official duty authorized for civilian employees who are members of the reserve components of the armed forces of the United States, on days on which they are on active duty.

Nonpay status—Leave without pay, suspension, and furlough without pay.

Overdrawn leave—The amount of leave advanced beyond that which has accrued.

Part-time employees—Employees who are regularly employed on a pre-arranged schedule whose hours or days of work are less than the prescribed hours or days of work for full-time employees in the same group or class.

Pay-period—Bi-weekly, semi-monthly or other pay period.

Permanent employee—Employees appointed to serve without a definite time limitation.

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.”

Terminal leave—Leave granted prior to separation from the Federal service without a return to duty.

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.)

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 the 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 Division of Personnel or the Administrative Branch in the Regions, according to the location of the official Personnel Folder, 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 bi-weekly pay period, except that the accrual for the last full bi-weekly 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 bi-weekly 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 workweek. 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 on 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 Form H-144, *Notification of Leave Category Change*.

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 bi-weekly pay period, his credits for annual leave are reduced by the amount he earns in one bi-weekly 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 pro rata 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 6, 1952 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 same 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 advance 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. (Exceptions may be made in unusual situations.)

GRANTING OF ANNUAL LEAVE

Authority to Approve Leave

The Regional Administrator 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. It is the policy of the Agency that, insofar as practicable, employees wishing to attend or participate in the observance of various established religious holy days of their faith; for example, Good Friday, or Yom Kippur, shall be permitted to be absent on annual leave for this purpose.

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 year's 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 Regional Administrators, and to such other officers as the Regional Administrator 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.

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 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. When a holiday occurs on Saturday, the Friday immediately preceding such Saturday shall be observed as a holiday. Exceptions to these two rules are made if the regularly scheduled basic work week is other than Monday through Friday.

Substitution of Leave

When sickness occurs within a period of annual leave, sick leave may be substituted for the annual leave for the period of illness, provided that any grant of sick leave in excess of 3 work days is supported by a medical certificate, or other evidence administratively acceptable.

Annual leave may not be substituted for sick leave previously granted, for the sole purpose of avoiding a forfeiture of annual leave at the end of a calendar year.

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, as amended, 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 leave 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 workweek 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.

Employees' Leave and Active Military Service

Any employee who enters on active military duty is either separated or furloughed, at the option of the Agency, except that a member of a reserve component of the armed forces or a member of the National Guard may be placed on leave of absence instead. If the employee is furloughed he may elect to receive a lump-sum payment for all annual leave to his credit or to have his annual leave held to his credit until he returns from active military duty. If he is separated, he will receive a lump-sum payment for all annual leave to his credit.

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.

Section 5

SICK LEAVE

ACCRUAL OF SICK LEAVE

Full-time employees earn 4 hours of sick leave for each full bi-weekly 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 bi-weekly 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 bi-weekly 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 pro rata 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

The Regional Administrator 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 when an employee:

- (1) Is unable to work because of sickness or injury.

- (2) Is unable to work because of pregnancy and confinement.
- (3) Must be absent to be examined or treated by a doctor, dentist or eye-specialist.
- (4) Is needed to take care of a member of his immediate family who has a contagious disease (see definitions on Page 2, Section 2-7-3).
- (5) 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 section. He is required to submit promptly 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 Leave

When sickness occurs within a period of annual leave, sick leave may be substituted for the annual leave for the period of illness, provided that any grant of sick leave in excess of 3 work days is supported by a medical certificate or other administratively acceptable evidence.

Annual leave may not be substituted for sick leave previously granted for the sole purpose of avoiding a forfeiture of annual leave at the end of a calendar year.

Maternity Leave

Maternity leave is chargeable to sick leave or any combination of sick leave, annual leave, and leave without pay. The usual period of authorized maternity leave is approximately fourteen weeks. This period generally begins not later than six weeks before the expected date of delivery and extends eight weeks beyond the date of delivery.

If there is to be any deviation from this timetable, either for a longer or shorter period, the employee shall be responsible for securing a written recommendation to this effect from her physician or practitioner.

A medical certificate shall be required for the entire period of incapacitation due to pregnancy or confinement for which sick leave is granted. When possible, this certificate shall be secured in advance, and should be considered as adequate justification for absence chargeable to sick leave from the date of incapacitation until the end of the

eighth week following the date of delivery. Any request for additional sick leave shall be supported by acceptable certification.

Maternity leave shall not be granted for absence due solely to the employe'e's responsibility for the care of her child.

Ordinarily, sick leave for reasons of pregnancy and confinement shall not be advanced.

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 examination 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 its 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, Section 2-7-3) or other administratively acceptable evidence. The instructions on 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.

Absence 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

Regional Administrators may grant advance sick leave of not more than 30 days in cases of serious disability or ailments and when required by the exigencies of the case.

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 purpose 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. When a holiday occurs on Saturday, the day immediately preceding such Saturday shall be observed as a holiday. Exceptions to these two rules are made if the regularly scheduled basic work week is other than Monday through Friday.

Disposition Of The Leave Account

Upon reemployment of an employee covered by this leave system on or after January 9, 1962, without a break in service, of more than 3 years, the employee's sick leave account shall be recredited.

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 preceeding 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 or—in the case of employees for whom the Regional Office has authority to approve personnel actions—to the Regional Administrator, 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 or to the Regional Administrator in the case of employees for whom the Regional Office has authority to approve personnel actions. 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 or from the Regional Administrator in the case of employees for whom the Regional Office has authority to approve personnel actions, 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 of time and attendance and leave records for employees of Regional Offices are contained in the Timekeeper's Handbook. Those procedures are supplementary to the policies set forth in this Manual and provide detailed instructions for the maintenance on a daily basis of time and attendance records and the submission thereof to payroll offices as supporting documentation for payroll preparation.

Section 6**LIQUIDATION OF EXCESS ANNUAL LEAVE**

Public Law 102, 83rd Congress, approved July 2, 1953, reduces the maximum accumulation of annual leave to 30 days (45 days for some employees stationed outside the continental United States), and requires that each agency take measures to liquidate, within a reasonable number of years, annual leave in excess of the amounts allowed. The law further provides that an employee with 30 or more days annual leave accumulation must use his earned annual leave each year or lose it at the end of the leave year.

POLICY ON LIQUIDATION OF LEAVE IN EXCESS OF 30 DAYS

In order to comply with the directive of Congress and at the same time avoid disruption of the work of the Agency to the greatest extent possible, the Administrator has approved, on an Agency-wide basis, a ten year-ten percent plan for the reduction of excess annual leave. This plan is effective at the beginning of the leave year which begins on January 3, 1954, and requires that employees use 10 percent a year of the annual leave in excess of 30 days (45 days for some employees stationed outside the continental United States) carried into the 1954 leave year. This is in addition to the annual leave currently earned each year. A liberal leave policy shall be followed in the granting of annual leave so that employees desiring to do so may reduce their annual leave at a more rapid rate than the minimum prescribed herein.

APPOINTMENTS BY TRANSFER**Employees Who Transfer From Constituent Agencies**

Since all units of the Housing and Home Finance Agency have adopted a common excess leave liquidation policy, there will be no change in individual leave liquidation programs for constituent agency employees transferring to the Office of the Administrator.

Employees Who Transfer From Other Federal Agencies

Employees with excess leave balances transferring to the Office of the Administrator, from other Federal Agencies, will be picked up in the Housing and Home Finance Agency plan at the beginning of the year following their transfer and liquidation of their excess leave balance will also be accomplished by the end of the 1963 leave year.

RESPONSIBILITY FOR ADMINISTRATION OF PLAN

Regional Representatives are responsible for the administration of the ten year-ten percent plan and the enforcement of these requirements.

During the months of February and March, each responsible supervisor shall develop an annual vacation schedule for employees under his supervision. This schedule shall be developed in consultation with

the employees involved. The schedule will provide for each employee who has an accumulation of more than 30 days annual leave as of January 3, 1954, to take all annual leave which he will earn during the leave year plus at least 10 percent of the annual leave in excess of 30 days to his credit as of January 3, 1954, in order to reduce his annual leave balance at least 10 percent by the end of the year. Schedules may be amended or varied during the year provided that the 10 percent reduction for each employee is accomplished. Employees will be required to take annual leave as scheduled to reduce their leave balances to the required level. Whenever it is necessary to meet the objectives of the plan, leave approving officials may, after full discussion with employees affected, place such employees on annual leave without their consent.

EXCEPTIONS

Should emergency conditions require that an exception to the use of the 10 percent excess annual leave be requested for any employee, such request shall be made in writing by the Regional Representative to the Director of Personnel. If an exception is granted any employee in one year by the Director of Personnel, the employee involved will be required to make up the difference in leave attrition the following year. No further exception may be granted such employee until he has made up the difference in attrition to his leave balance.

PROGRESS REPORTS

Regional Representatives shall report to the Director of Personnel the first pay period following each June 30 and at the end of each leave year as to the extent of accomplishment of the above objective.

The Director of Personnel shall report to the Assistant Administrator (Administration) and Administrator annually regarding the operation of this plan, and shall make any necessary recommendations regarding its operation.

LEAVE ACCOUNTS OF NEW OFFICE OF THE ADMINISTRATOR EMPLOYEES

In the event of transfer between divisions or offices of the Office of the Administrator, it will be the responsibility of the receiving office to adjust its vacation schedules to take into consideration the leave status of the new employee.

Leave information on employees new to the Office of the Administrator will be furnished by the Finance and Accounts Branch.

Section 8

COURT LEAVE

JURY SERVICE

When a permanent or temporary-indefinite employee with a regularly scheduled tour of duty is called upon for jury service in a court of any State or political subdivision thereof, or in any court of the United States or of the District of Columbia, such period of service shall not be charged to annual leave. If an employee is in an annual leave status when he is summoned for jury duty in a State or United States Court, court leave shall be substituted for annual leave for the period of such duty. If the employee is in a leave-without-pay status, court leave is not available to him since such leave is available only to employees who otherwise would be in a duty status or an authorized leave-with-pay status.

Duration of Jury Service

The term of jury service is the time from the date stated in the summons on which the employee is required to report to the court to the date on which he is discharged by the court, inclusive. However, such term does not include periods during which an employee is excused from jury duty for a full day or for a substantial portion of a day. In such case the employee is expected to return to duty unless his return would work a hardship on him because of the distance of the court from his residence or place of duty, or unless he was assigned on night work. If the employee does not return to duty when he is excused from jury service for a day or a substantial portion thereof, he shall be charged annual leave.

Acceptance of Jury Service

Any employee of the Agency summoned for jury service in any court should appear in accordance with the terms of the summons. In view of the importance of trial by jury as an American system of justice, it shall be the policy of the Agency not to ask that its employees be excused from jury duty except in cases of real necessity. Any employee may, of course, request exemption on his own initiative for compelling personal reasons.

Non-Eligibility for Court Leave for Jury Service

Temporary employees (those appointed for definite periods of 1 year or less) and WAE employees, regardless of tenure, who have no regular

tour of duty scheduled in advance, are not entitled to leave of absence with pay for jury service. The absence of such an employee may be charged to annual leave, if available, or if the employee so desires he may be placed in a leave-without-pay status.

Pay Status of Employee

The pay status of any employee whose date of separation has been fixed by notice to him shall not be extended beyond such date for the purpose of granting leave of absence with pay for jury service.

WITNESS SERVICE

Federal Government Witness

An employee who is subpoenaed to testify in court as a witness for the Federal Government, but not in his official capacity, shall be carried on court leave. He must furnish evidence of attendance as a witness.

Non-Government Witness

Where an employee's appearance in court as a witness is not in behalf of the Government or the District of Columbia, and not in his official capacity, his absence from duty shall be charged as either annual leave or leave without pay.

Witness in Official Capacity

When an employee appears as a witness in his official capacity, whether in behalf of the Government or a private party, he shall be considered in official duty status.

ENTITLEMENT TO COMPENSATION FOR JURY OR WITNESS SERVICE

An employee eligible for court leave may not accept fees for service as a juror in a Federal or District of Columbia court where the jury service is performed during the regularly scheduled administrative work week. He may, however, accept such fees when the jury service is performed outside his regularly scheduled work week. He may also accept any allowances for mileage and subsistence authorized by law to cover his actual expenses if required to travel away from his official headquarters or home.

An employee eligible for court leave and serving as a juror in a State or municipal court shall collect all fees and allowances payable to him. If the jury duty was performed during his regular tour of duty, the employee shall forward the jury fees to the Regional Office Administrative Branch for deposit. He may, however, retain (1) any excess of the jury fee over the amount of his regular compensation, (2) any fees for jury service performed outside his regularly scheduled work week, or, (3) any allowance for mileage and subsistence authorized by law to cover his actual expenses if required to travel away from his official

headquarters or home. He may not retain jury fees for service as a juror rendered during his regular tour of duty.

An employee eligible for court leave for the purpose of serving as a witness for the United States, may not accept witness fees or other compensation in addition to his salary other than travel allowances and per diem in lieu of subsistence, authorized to cover the actual expenses incident to witness duty.

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 Regional Office is responsible for making information available to all employees concerning the specific jurisdictional voting and registration requirements, major election dates and the time polls open and close. In setting local practice for granting such leave the Region shall be certain that it is in keeping with the Agency policy outlined above,

and that the actual time granted is based on specific information regarding the time the polls are open.

It is the responsibility of supervisory officers to assure that the voting and registration leave privilege is not abused. All leave for voting purposes shall be applied for in advance.

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 should complete Standard Form 1152 and return it to the office that maintains their payroll records. Standard Form 1152 may be obtained from the Regional Administrative Officer. (For designation of beneficiaries for retirement funds, see 2-4-4, Retirement.)

Section 8

BENEFICIARIES FOR OTHER THAN RETIREMENT FUNDS

Under the Internal Revenue Code, a beneficiary of a death benefit is a person who is designated in writing to receive the proceeds of a life insurance policy upon the death of the insured. The beneficiary must be designated in writing at the time of the insured's death or at the time of the insured's death.

(1) To be eligible for a death benefit, the insured must be a member of a pension or profit-sharing plan, an annuity plan, or a qualified pension plan. The beneficiary must be designated in writing at the time of the insured's death or at the time of the insured's death.

(2) If there is no designated beneficiary, the proceeds of a life insurance policy will be paid to the estate of the insured. If there is a designated beneficiary, the proceeds will be paid to the beneficiary named in the policy. If the beneficiary is a minor, the proceeds will be paid to a trust for the benefit of the minor.

Employees may wish to designate a beneficiary for their pension or profit-sharing plan. This designation is made on the plan's beneficiary designation form. The designated beneficiary will receive the proceeds of the plan upon the employee's death. If the employee dies before the plan has been established, the proceeds will be paid to the employee's estate.

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.¹ (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)

Correspondence relating to the granting or denial of salary retention benefits shall be made a permanent part of the employee's official personnel folder.

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 misconduct, incapacity, 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.

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.

¹ Questions of salary savings under laws prior to August 23, 1958, may be referred to the Director of Personnel.

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.

Payroll Change Slip, Standard Form 1126, shall be considered sufficient notice to the employee of the expiration of the two-year salary retention period.

Follow-up records shall be maintained in the Administrative Branch to insure pay adjustment at the end of the salary retention period.

Section 1

GENERAL TRAINING POLICIES AND PROCEDURES

This Section outlines the basic policy, general standards, responsibilities, and procedures for training and development of Regional Office employees.¹

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 of 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.

¹ 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, the Regional Administrator shall 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 his organization is properly evaluated.
- (5) All significant in-service training conducted in his organization is reported to the Director of Personnel as it occurs.
- (6) An annual report is submitted to the Assistant Administrator (Administration) at the end of each fiscal year outlining all training conducted or sponsored in the Region during the preceding year. This report, in duplicate, should reach the Assistant Administrator (Administration) by July 31 of each year.

The Division of Personnel will:

- (1) Service 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 requests for training by or in other agencies.
- (8) Audit and evaluate in-service training programs as appropriate.
- (9) Prepare training reports required by the Civil Service Commission, the Congress, or other outside authority.

General Policy for In-Service Training

In-service training is essentially a management function. Regional Administrators and Directors 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 when practicable in consultation with the Central Office 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 efficient 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 Regional Office 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 Administrative Branch. The Administrative Branch 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 Regional Office Training Programs

Requests from other Government agencies to participate in Regional Office in-service training programs shall be referred to the Administrative Branch. Where spaces are available in Regional Office training programs and the training of other than Regional Office personnel will not violate HHFA policy nor interfere with the proper conduct and effectiveness of the training, other than Regional Office personnel may participate. Other HHFA employees 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 training. As soon as possible, the Fiscal Section, Administrative Branch, will be furnished with information concerning the amount of reimbursement, the participating agency to be billed, and the date of billing.

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 Regional Office are combined with those of one or more other agencies. Negotiations for such arrangements will be initiated and approved by the Administrative Branch.

TRAINING THROUGH NON-GOVERNMENT FACILITIES (OUT-SERVICE TRAINING)**Definition**

Out-service training is that conducted by any one 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, Regional Administrators 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 his organization is properly evaluated.
- (5) Preliminary determination is made, by consulting with the Civil Service Commission Regional Office and other Federal installations in the area, that training within Government is not reasonably available in terms of distance, timing or 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 files 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 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 Regional Office 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 the 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 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, or in or through any non-Government facility any substantial part of the activities of which is:
 - (a) The carrying on of propaganda, 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. (If a Regional Office does not know whether a facility discriminates on the above basis, it should ask the facility directly and obtain written assurances. If a Regional Office has reason to know, either from its own experience or from experience of others, that the facility does not practice discrimination, it need not initiate any new inquiries.)

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 Regional Administrator 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 Regional Administrator, 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, may be approved by the Regional Administrator.

Requests for training by, in or through a foreign government or international organization, or instrumentality of either, shall be made by the Regional Administrator 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 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 shall accompany Form

H-830. A memorandum shall always be used to request the services of a non-Government instructor. The memorandum shall be prepared and transmitted in the same number of copies as required for Form H-830 and shall cover all pertinent factors of the proposed action.

All requests, regardless of approval authority, shall be submitted to the Administrative Division.

An original and five copies of Form H-830 shall be submitted on requests for out-service training; a sixth copy is required if transportation or procurement is involved. Requesting and approving officials need sign only the original of the Form. Facsimile signatures may be used to indicate approvals on the copies.

For training of more than 40 hours duration, the employee must complete and sign the agreement portion of the Form.

Distribution of approved copies of Form H-830 will be as follows:

Original	—Training File
Copy	—Division of Personnel. Note: The original will be retained by the Division of Personnel if Central Office approval is required and the copy returned to the Region.
Copy	—Official Personnel Folder
Copy	—Accounting Branch, Administrative Division
Copy	—Administrative Division (if official transportation or procurement is involved)
Copy	—Employee. This copy will be returned through the requesting office as notification of approval to that office.

Disapproved requests for training will be acknowledged on the reverse of Form H-830, or by memorandum citing reasons for the disapproval. Form H-830 indicating disapproved requests will be returned to the requesting office.

If the training will require the expenditure of funds, Form H-830 shall be routed to the Accounting Branch, Administrative Division, for prevalidation as to the availability of funds prior to any processing for approval. The Accounting Branch will complete Item 13 of the Form if funds are available, retain one copy pending the return of an additional copy showing approval or disapproval of the training, and return the original and other copies to the Director, Administrative Division.

After the availability of funds has been indicated, the Director, Administrative Division, will forward Form H-830 to the Regional Administrator for approval or surmounting the prevalidated copy. If the Regional Administrator approves the request, Form H-830 will be returned to the Administrative Division for processing. If the request

requires Central Office approval, the Regional Administrator will indicate his concurrence by surnaming the prevalidated copy, and Form H-830 shall be forwarded to the Division of Personnel.

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 Accounting Branch shall be advised by memorandum as soon as the situation becomes known. The memorandum will serve as the basis for reducing or cancelling the related obligation, as appropriate. If the final cost of training will exceed the amount of funds previously reserved, an additional fund reservation, properly documented, shall be secured 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 organization shall notify the Division of Personnel by memorandum. Two copies of the memorandum will be transmitted to the Administrative Division; one of these copies will be given to the Accounting Branch.

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 shall promptly notify the Director of Personnel and send a copy of the notification to the Administrative Division. A decision of action to be taken in such cases will 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. When a decision has been made, the Director of Personnel will notify the Regional Office to permit appropriate action by the Accounting Branch, Administrative Division.

Employee Agreement Requirement

Each employee given out-service training of more than 40 hours is 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, with a copy of the notification to the Administrative Division, 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 the 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 promptly notify the Regional Office to permit appropriate action by the Fiscal Section, Administrative Branch.

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, 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 the 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 a 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 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 will 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 SF 71, *Application for Leave*, to his leave approving officer. If possible, the completed SF 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, 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, February 13, 1959.

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, *Request and Authorization for Training*, 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-830 (3-61) Date _____														
REQUEST AND AUTHORIZATION FOR TRAINING																	
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 (Emphasize relationship of employee's present and future work to need for recommended training)																	
8. TITLE AND DESCRIPTION OF TRAINING (Attach announcement if available)		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															
		<table border="0" style="width: 100%;"> <tr> <td></td> <td style="text-align: center;"><u>HHFA</u></td> <td style="text-align: center;"><u>EMPLOYEE</u></td> </tr> <tr> <td>Tuition & Fees</td> <td style="text-align: right;">\$ _____</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td>Transportation & Per Diem</td> <td style="text-align: right;">\$ _____</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">\$ _____</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right;">\$ _____</td> <td style="text-align: right;">\$ _____</td> </tr> </table>		<u>HHFA</u>	<u>EMPLOYEE</u>	Tuition & Fees	\$ _____	\$ _____	Transportation & Per Diem	\$ _____	\$ _____	Other	\$ _____	\$ _____	TOTAL	\$ _____	\$ _____
	<u>HHFA</u>	<u>EMPLOYEE</u>															
Tuition & Fees	\$ _____	\$ _____															
Transportation & Per Diem	\$ _____	\$ _____															
Other	\$ _____	\$ _____															
TOTAL	\$ _____	\$ _____															
13. FUND RESERVATION Funds are available to cover obligations in the amount of \$ _____ Signature _____ Date _____																	
14. EMPLOYEE AGREEMENT (Required for training in non-Government facilities of more than 40 hours duration) 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 expense 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 (See reverse side of Form) 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.															
CLEARANCES: <table border="0" style="width: 100%;"> <tr> <td></td> <td style="text-align: center;"><u>INITIAL</u></td> <td style="text-align: center;"><u>DATE</u></td> </tr> <tr> <td>Personnel</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>Other</td> <td>_____</td> <td>_____</td> </tr> </table>			<u>INITIAL</u>	<u>DATE</u>	Personnel	_____	_____	Other	_____	_____	Signature _____ Title _____ Date _____						
	<u>INITIAL</u>	<u>DATE</u>															
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 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-term 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 financial 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.

MULT-O

(PATENTED)

TO OPEN - press bottom
levers together with slight
clockwise motion.

TO CLOSE - press
top levers.

BY.

WIRE-O BINDING CO., INC.
200 HUDSON STREET
NEW YORK, N. Y.