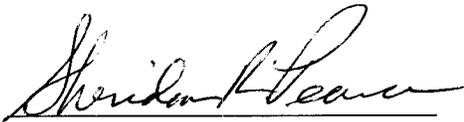


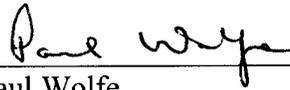
MEMORANDUM OF UNDERSTANDING
BETWEEN
DEPARTMENT OF DEFENSE
DEPENDENTS SCHOOLS
AND
FEDERAL EDUCATION ASSOCIATION

Sample Messages for Living Quarters Allowance (LQA)
and Post Allowance Recipients and LQA Reconciliation

The Department of Defense Dependents Schools (DoDDS) and the Federal Education Association (FEA) hereby agree to use the attached sample messages, as appropriate, to provide information to unit employees about requirements and responsibilities related to the receipt of living quarters allowance (LQA) and post allowance and for completing the LQA reconciliation process.



Sheridan R. Pearce
FEA President
April 27, 2006



Paul Wolfe
Human Resources Director, DoDEA
April 27, 2006

LQA Reconciliation Sample Messages

Message to be sent out 45 days prior to one year anniversary in economy quarters.

Dear Mr./Ms./Dr. _____:

When your living quarters allowance (LQA) authorization was initiated for your current quarters, you were notified that you would be required to reconcile the utilities portion of your LQA after one year of residency in your quarters. This is to remind you that effective _____, you will have occupied your economy quarters for one year. Within 45 days of this date, you are required to submit an LQA reconciliation. Since we must have a full year for the reconciliation, please do not submit your reconciliation prior to your one-year anniversary in your current quarters. Unless the amount of your rent changed during your first year in quarters, you are only required to reconcile the utilities portion of your LQA since these amounts were initially estimated.

In order to process your reconciliation, you must complete and submit the attached SF 1190 and LQA Reconciliation Worksheet, with copies of bills/receipts for all utilities claimed for the entire one year period to your Customer Operations Team. The documents may be faxed to _____. If the receipts are in a foreign language, please identify in English on each receipt the appropriate utility (i.e. electricity, water, garbage disposal). At the time the reconciliation is processed, your actual LQA expenses will be compared to the amount of LQA authorized and paid to you. If your actual expenses exceeded the amount paid to you, you will be paid the difference up to the maximum allowable. If your actual expenses are less than the amount paid to you, you will be indebted for that overpayment. In either case, your current LQA authorization will be adjusted to reflect your actual expenses. Failure to complete the reconciliation will result in the suspension of the utilities portion of your current LQA authorization.

If you have any questions regarding the LQA reconciliation process, please let me know.

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LQA Reconciliation Sample Messages

Message to be sent out to employees on the one year anniversary in economy quarters.

Dear Mr./Ms./Dr. _____:

Our records indicate that you have occupied your economy quarters for a one year period. This is to remind you once again that you are required to submit an LQA reconciliation within 45 days of your one year anniversary. Unless the amount of your rent changed during your first year in quarters, you are only required to reconcile the utilities portion of your LQA since these amounts were initially estimated.

In order to complete your reconciliation, you must complete and submit the attached SF 1190 and LQA Reconciliation Worksheet, with copies of bills/receipts for all utilities claimed for the entire one year period to your Customer Operations Team. The documents may be faxed to _____. If the receipts are in a foreign language, please identify in English on each receipt the appropriate utility (i.e. electricity, water, garbage disposal). At the time the reconciliation is processed, your actual LQA expenses will be compared to the amount of LQA authorized and paid to you. If your actual expenses exceed the amount paid to you, you will be paid the difference up to the maximum allowable. If your actual expenses are less than the amount paid to you, you will be indebted for that overpayment. In either case, your current LQA authorization will be adjusted to reflect your actual expenses. Failure to complete the reconciliation will result in the suspension of the utilities portion of your current LQA authorization.

If you have any questions regarding the LQA reconciliation process, please let me know.

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LQA Reconciliation Sample Messages

Message sent to employees who have not submitted LQA reconciliation within 45 days of their one year anniversary in economy quarters or requested an extension.

Dear Mr./Ms./Dr. _____:

On _____ and _____, you were sent messages notifying you of your requirement to complete an LQA reconciliation within 45 days of your one year anniversary in economy quarters. Since no reconciliation or request for extension has been received by our office, we are processing an adjustment to your LQA to suspend your current authorization for utilities. You will continue to receive only the rental portion of your LQA authorization until your LQA reconciliation with supporting receipts for your utility expenses for your first year in economy quarters is received. Once we receive the required forms and receipts, your actual LQA expenses will be compared to the amount of LQA authorized and paid to you. If your actual expenses exceeded the amount paid to you, you will be paid the difference up to the maximum allowable. If your actual expenses are less than the amount paid to you, you will be indebted for that overpayment. The reinstatement of the suspended utilities portion of your LQA will be reflected in your reconciliation and your new amount for utilities will be processed.

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MEMORANDUM FOR DODEA LIVING QUARTERS ALLOWANCE AND
POST ALLOWANCE RECIPIENT

SUBJECT: Conditions of Eligibility for Living Quarters Allowance (LQA) and Post Allowance

The authorization and payment of LQA are governed by the provisions of Chapter 100 of the Department of State Standardized Regulations (DSSR). Your request for LQA has been processed and your copy of the approved SF 1190, Foreign Allowances Application, Grant and Report, is attached. You have been authorized _____ for rent and _____ for allowable utility costs to. Your LQA information has been forwarded to your servicing payroll office, DFAS-Charleston. Please bear in mind that reimbursement of your allowable expenses cannot exceed your authorized annual costs or the maximum rate set by the DSSR, whichever is the lesser amount. The maximum rates are subject to upward or downward adjustment. Your current authorized annual maximum LQA rate is _____. Your allowance payments will be paid in U.S. dollars as part of your biweekly paycheck. If you reported expenses in foreign currency, those amounts will be converted to dollars using the current exchange rate as established in the DFAS pay system. Exchange rates are subject to change every pay period. Therefore, if you have foreign currency expenses, your LQA may fluctuate each pay period. If you were advanced LQA because of your lease requirements, that advanced amount will, not be part of your biweekly authorization and will not be reflected on your Leave and Earnings Statement. For personally owned quarters, the rental portion of your LQA will be converted to dollars using the exchange rate that was in effect on the date of purchase and payment in the biweekly LES will not normally fluctuate unless there is a change in the maximum rate authorized.

The amount you estimated for your utility expenses was considerably higher than the amount authorized for other employees at your post with a similar family size. Therefore, we have lowered the amount of your authorized utilities to the amount indicated above. After approximately three months in your quarters, you should compare your actual utility costs to your authorized amounts and make any appropriate adjustments. If we under estimated your utility costs, we will make the adjustment retroactive to the date your LQA was initiated.

You are required to keep all utility bills and/or receipts. After one year in quarters, you are required to reconcile the utilities portion of your LQA. Failure to do so may result in immediate suspension of the utilities portion of your LQA. If there are circumstances beyond your control that prevent you from submitting required receipts, you may submit a request for an extension in writing to the same fax number or email address where you are required to submit your receipts. Otherwise, within 45 days after

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reaching your LQA one-year anniversary, you are required to submit to your Customer Operations Team a SF 1190, Foreign Allowances Application, Grant, and Report, LQA-Living Quarters Allowance Annual/Interim Expenditures Worksheet, and copies of bills/receipts for all utilities claimed for the entire first-year period. If the receipts are in a foreign language, you will be required to identify in English on each receipt the appropriate utility (i.e. electricity, water, garbage disposal). If the bills/receipts are written in a foreign language, you must provide an English translation. Upon submission, your actual LQA expenses will be compared to the amount of LQA that was authorized and paid to you for the first year in new quarters. If your actual expenses exceeded the amount you were paid, you will be paid the difference up to the maximum allowable. If your actual expenses are less than the amount you were paid, you will be indebted for that overpayment. In either case, your current LQA authorization will be adjusted to reflect your actual expenses.

No further reconciliation will be required for the same residence unless requested by you or by management. However, if you do find that your actual expenses are consistently different from your authorized amount, you may submit a new SF 1190 with bills/receipts at any time and your LQA authorization will be adjusted.

You are also responsible for immediately reporting any changes that affect your LQA authorization such as a change in marital or family status, a change in the number of authorized dependents, attainment of age 21 by a dependent child, sharing of LQA expenses, letting or subletting of quarters, and moving out of the quarters. Immediately reporting these changes will ensure you receive prompt payments, if due, and prevent you from incurring a debt. If you have any questions about your LQA, please contact your local Human Resources Specialist or your servicing Customer Operations Team.

Authorization and payment of post allowance are governed by the provisions of Chapter 200 of the DSSR. Post allowance is a cost-of-living allowance granted to full-time employees officially stationed at a post in a foreign area where the cost of living, exclusive of quarters costs, is substantially higher than in Washington, D.C. Part-time, intermittent, and U.S. family member winter/summer hire employees are not eligible for post allowance. The post allowance is paid to eligible full-time employees even though they may not be eligible for LQA, post differential or other allowances. Post allowance is not taxable income.

When married couple employees without additional family members are both eligible for the post allowance, each may be granted the post allowance under Section 229 for one person. When married couple employees with family members are both eligible for the post allowance, only one employee spouse, at his/her option, may receive the post allowance for family members. The other employee may be granted the post allowance for one person only. Civilian employees who are spouses of military members receiving a cost of living allowance (COLA) at the "with family" rate will be granted the post allowance for the "without family" rate for one person only.

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Your annual post allowance rate under Section 229.1 of the DSSR is determined by the classification of your post, your salary, and the number of family members.

residing with you at your post. If a post allowance is currently authorized for your post of assignment, the amount you have been authorized is reflected on the attached SF-1190.

The post allowance rates are fixed by the Department of State and are periodically adjusted upward or downward to reflect changes in the economic conditions at the post. Revisions to the post allowance rates made by the Department of State are automatically processed by your servicing payroll office. There are, however, other factors which may affect the total amount of post allowance you are authorized. You are responsible for immediately reporting any changes that affect your allowance authorization such as a change in marital or family status, arrival or departure of dependents at your post, attainment of age 21 by a dependent child, or temporary absence from the post of yourself or any dependents that will last longer than 30 days.

Failure to promptly report a change affecting the payment of LQA and post allowance may lead to the suspension of the allowance and/or a debt to the United States Government. Misrepresentation of the facts involving an application for LQA or Post allowance may result in disciplinary action up to and including removal from Federal employment.

Please initial the bottom right hand corner of the first page of this memorandum and complete the section below. A signed copy this entire memorandum must be faxed back to the following number (703) 588- _____ or emailed to _____.

I have read and understand the conditions summarized in this memorandum regarding eligibility for a living quarters allowance and a post allowance.

Employee's Signature: _____

Date: _____

Employee's Name (printed): _____

pu *SMP*

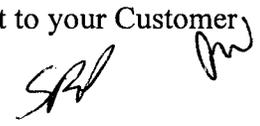
MEMORANDUM FOR DODEA LIVING QUARTERS ALLOWANCE AND
POST ALLOWANCE RECIPIENT

SUBJECT: Conditions of Eligibility for Living Quarters Allowance (LQA) and Post Allowance

The authorization and payment of LQA are governed by the provisions of Chapter 100 of the Department of State Standardized Regulations (DSSR). Your request for LQA has been processed and your copy of the approved SF 1190, Foreign Allowances Application, Grant and Report, is attached. You have been authorized _____ for rent and _____ for allowable utility costs to. Your LQA information has been forwarded to your servicing payroll office, DFAS-Charleston. Please bear in mind that reimbursement of your allowable expenses cannot exceed your authorized annual costs or the maximum rate set by the DSSR, whichever is the lesser amount. The maximum rates are subject to upward or downward adjustment. Your current authorized annual maximum LQA rate is _____. Your allowance payments will be paid in U.S. dollars as part of your biweekly paycheck. If you reported expenses in foreign currency, those amounts will be converted to dollars using the current exchange rate as established in the DFAS pay system. Exchange rates are subject to change every pay period. Therefore, if you have foreign currency expenses, your LQA may fluctuate each pay period. If you were advanced LQA because of your lease requirements, that advanced amount will, not be part of your biweekly authorization and will not be reflected on your Leave and Earnings Statement. For personally owned quarters, the rental portion of your LQA will be converted to dollars using the exchange rate that was in effect on the date of purchase and payment in the biweekly LES will not normally fluctuate unless there is a change in the maximum rate authorized.

The amount you have been authorized for the utilities portion of your LQA is based on the amounts you have estimated. After approximately three months in your quarters, you should compare your actual utility costs to your estimated amounts and make any appropriate adjustments by submitting a SF-1190 along with supporting receipts.

You are required to keep all utility bills and/or receipts. After one year in quarters, you are required to reconcile the utilities portion of your LQA. Failure to do so may result in immediate suspension of the utilities portion of your LQA. If there are circumstances beyond your control that prevent you from submitting required receipts, you may submit a request for an extension in writing to the same fax number or email address where you are required to submit your receipts. Otherwise, within 45 days after reaching your LQA one-year anniversary, you are required to submit to your Customer

Handwritten signatures in black ink, appearing to be initials or names, located at the bottom right of the page.

Operations Team a SF 1190, Foreign Allowances Application, Grant, and Report, LQA-Living Quarters Allowance Annual/Interim Expenditures Worksheet, and copies of bills/receipts for all utilities claimed for the entire first-year period. If the receipts are in a foreign language, you will be required to identify in English on each receipt the appropriate utility (i.e. electricity, water, garbage disposal). Upon submission, your actual LQA expenses will be compared to the amount of LQA that was authorized and paid to you for the first year in new quarters. If your actual expenses exceeded the amount you were paid, you will be paid the difference up to the maximum allowable. If your actual expenses are less than the amount you were paid, you will be indebted for that overpayment. In either case, your current LQA authorization will be adjusted to reflect your actual expenses.

No further reconciliation will be required for the same residence unless requested by you or by management. However, if you do find that your actual expenses are consistently different from your authorized amount, you may submit a new SF 1190 with bills/receipts at any time and your LQA authorization will be adjusted.

You are also responsible for immediately reporting any changes that affect your LQA authorization such as a change in marital or family status, a change in the number of authorized dependents, attainment of age 21 by a dependent child, sharing of LQA expenses, letting or subletting of quarters, and moving out of the quarters. Immediately reporting these changes will ensure you receive prompt payments, if due, and prevent you from incurring a debt. If you have any questions about your LQA, please contact your local Human Resources Specialist or your servicing Customer Operations Team.

Authorization and payment of post allowance are governed by the provisions of Chapter 200 of the DSSR. Post allowance is a cost-of-living allowance granted to full-time employees officially stationed at a post in a foreign area where the cost of living, exclusive of quarters costs, is substantially higher than in Washington, D.C. Part-time, intermittent, and U.S. family member winter/summer hire employees are not eligible for post allowance. The post allowance is paid to eligible full-time employees even though they may not be eligible for LQA, post differential or other allowances. Post allowance is not taxable income.

When married couple employees without additional family members are both eligible for the post allowance, each may be granted the post allowance under Section 229 for one person. When married couple employees with family members are both eligible for the post allowance, only one employee spouse, at his/her option, may receive the post allowance for family members. The other employee may be granted the post allowance for one person only. Civilian employees who are spouses of military members receiving a cost of living allowance (COLA) at the "with family" rate will be granted the post allowance for the "without family" rate for one person only.



Your annual post allowance rate under Section 229.1 of the DSSR is determined by the classification of your post, your salary, and the number of family members residing with you at your post. If a post allowance is currently authorized for your post of assignment, the amount you have been authorized is reflected on the attached SF-1190.

The post allowance rates are fixed by the Department of State and are periodically adjusted upward or downward to reflect changes in the economic conditions at the post. Revisions to the post allowance rates made by the Department of State are automatically processed by your servicing payroll office. There are, however, other factors which may affect the total amount of post allowance you are authorized. You are responsible for immediately reporting any changes that affect your allowance authorization such as a change in marital or family status, arrival or departure of dependents at your post, attainment of age 21 by a dependent child, or temporary absence from the post of yourself or any dependents that will last longer than 30 days.

Failure to promptly report a change affecting the payment of LQA and post allowance may lead to the suspension of the allowance and/or a debt to the United States Government. Misrepresentation of the facts involving an application for LQA or Post allowance may result in disciplinary action up to and including removal from Federal employment.

Please initial the bottom right hand corner of the first page of this memorandum and complete the section below. A signed copy this entire memorandum must be faxed back to the following number (703) 588- _____ or emailed to _____.

I have read and understand the conditions summarized in this memorandum regarding eligibility for a living quarters allowance and a post allowance.

Employee's Signature: _____

Date: _____

Employee's Name (printed): _____

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Limited LQA Waiver Sample Messages

Sample messages to be sent out to employees with limited LQA waivers. The message will be sent to the employee 45 days prior to the expiration date of the LQA authorization.

1. GS employees, Principals, Assistant Principals and OFT employees who have been granted a time limited LQA waiver:

Dear Mr./Ms./Dr. _____

This is to notify you that you were authorized a limited waiver to receive LQA. Your allowance file reflects that your eligibility for LQA will terminate on _____. If you would like to request an extension of your LQA, you may submit a request with your supervisor's endorsement to the Policy and Evaluation Section, Human Resources Regional Service Center at facsimile number 703-588-5336 or 5337. If the Policy and Evaluation Section does not receive a request for an extension of your LQA, your LQA will be terminated on _____.

2. TP employees who were authorized a time limited LQA waiver under the provisions of the FSIP decision (eligible for optional (unreduced) retirement within 7 years or less) and the LQA termination date is in the middle of the school year.

Dear Mr./Ms./Dr. _____

This is to notify you that on _____ you were granted a limited waiver to receive LQA based on the provisions of a Federal Service Impasse Panel (FSIP) Decision. Eligibility for LQA under this FSIP decision terminates on the date you become eligible for optional retirement. Your allowance file reflects that your current eligibility for LQA will terminate on _____. If you would like to request an extension of your LQA through the end of the school year, you may submit a request with your supervisor's endorsement to the Policy and Evaluation Section, Human Resources Regional Service Center at facsimile number 703-588-5336 or 5337. If the Policy and Evaluation Section does not receive a request for an extension of your LQA, your LQA will be terminated on _____.

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3. **TP employees who were authorized a time limited LQA waiver under the provisions of the FSIP decision (eligible for optional (unreduced) retirement within 7 years or less) and the LQA termination date is at the end of the school year.**

Dear Mr./Ms./Dr. _____

This is to notify you that on _____ you were granted a limited waiver to receive LQA based on the provisions of a Federal Service Impasse Panel (FSIP) Decision. Eligibility for LQA under this FSIP decision terminates on the date you become eligible for optional retirement. Your allowance file reflects that your current eligibility for LQA will end on _____ at which we will terminate your LQA.

SLP fw