

**U.S. DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C. 20250**

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| <b>DEPARTMENTAL REGULATION</b>     | <b>NUMBER:</b><br>DR 4050-550-003                      |
| <b>SUBJECT:</b><br>Advances in Pay | <b>DATE:</b><br>May 12, 2016                           |
|                                    | <b>OPI:</b><br>Office of Human Resources<br>Management |

Section

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1. PURPOSE

The purpose of this directive is to set forth the Department of Agriculture (USDA) policy for making advance payments of basic pay to any individual who is newly appointed to a position in the Agency or Staff Office.

2. REFERENCES

5 CFR 550.201-206  
5 U.S.C. 5522  
5 U.S.C. 5524a  
5 U.S.C. 5927

3. SPECIAL INSTRUCTIONS

This directive replaces Personnel Bulletin 550– 97.

#### 4. POLICY

It is USDA's policy to allow discretion to employing Agencies and Staff Offices for the advance payment of basic pay, in one or more installments covering not more than 2 pay periods, to an employee who is newly appointed, appointed after a 90-day break in service, or appointed after a 90-day period of leave without pay following termination from an Internship program (as described in 5 CFR part 362, subpart b) to a position in the Agency or Staff Office. The maximum amount of pay that may be advanced to an employee will be based on the rate of basic pay to which the employee is entitled on the date of his or her new appointment with the Agency, reduced by the amount of any allotments or deductions that would normally be deducted from the employee's first regular pay check.

Advance of pay decisions will not be made on the basis of the individual's race, color, sex, age, religion, national origin or disability.

- a. Effective Date of Advances of Pay. An advance in pay may be made to an employee no earlier than the date of appointment with the Agency or Staff Office and no later than 60 days after the date of appointment.
- b. Exceptions.
  - (1) An advance in pay under this subpart may not be made to any employee when an Agency expects to make an advance in pay to the same employee under 5 U.S.C. 5927, within 2 pay periods after the employee's appointment.
  - (2) An advance in pay may not be made to the head of an Agency or to an employee appointed to a position in the expectation of receiving an appointment as the head of the Agency.
- c. Advance Payment for Evacuations: Guidance on advance payments for USDA employees ordered by USDA to evacuate can be found in 5 U.S.C. 5522, 5 CFR. 550.403, 5 CFR. 550.404.
- d. Overseas Assignments: Three months of advance payment may be given to employees recruited to a post of assignment in a foreign area. Regulations can be found in 5 U.S.C. 5927.

#### 5. DELEGATION OF AUTHORITY

The authority to approve advances in pay is hereby delegated to Agency and Staff Office Heads. Agency and Staff Office Heads may re-delegate this authority to the lowest supervisory level practical.

## 6. DEFINITIONS

- a. Agency. An organizational unit of USDA, other than a Staff Office as defined below, whose head reports to an Under Secretary.
- b. Agency Head. The head of a USDA Agency or an official who has been delegated the authority to act for the head of the Agency in the matter concerned.
- c. Staff Office. A USDA office whose head reports to the Secretary.
- d. Staff Office Head. The head of a staff office or an official who has been delegated the authority to act for the head of the staff office in the matter concerned.
- e. Basic Pay. For the purpose of advancing pay “basic pay” means the rate of pay fixed by law for the position plus any annual premium pay attached to the position; night differential for prevailing rate employees; special rate, or locality rate; and any special rate or special pay rate adjustment for law enforcement officers under 403, 404, or 405 of the FEPCA.

## 7. RESPONSIBILITIES

- a. Director, Office of Human Resources Management (OHRM):
  - (1) Sets policy and provides overall technical guidance and direction for this directive;
  - (2) Provides staff assistance to Under Secretaries, Assistant Secretaries, Agency Heads, Staff Office Heads, and their designees;
  - (3) Monitors compliance with Departmental policy; and
  - (4) Reports to the Office of Personnel Management (OPM), as required.
- b. Under Secretaries, Assistant Secretaries, Agency Heads, and Staff Office Heads:
  - (1) Ensure judicious and equitable use of this authority;
  - (2) Monitor and assess compliance with this Departmental policy;
  - (3) Ensure that pay determinations within their Agency or Staff Offices are made in accordance with the requirements set forth in this directive;

- (4) Monitor and assess implementation;
- (5) Report to OHRM, as requested; and
- (6) Agency and Staff Office Heads may re-delegate this authority to their Deputy Administrator for Management and/or their Mission Area Human Resources Director.

## 8. CRITERIA FOR GRANTING REQUEST

Requests for an advance in pay must be submitted in writing. Decisions to grant requests for advances in pay will be based on:

- a. An indication of financial need;
- b. The recommendation by the selection official;
- c. The difficulty encountered in filling the position;
- d. Whether it will be necessary for the individual concerned to move to a different city to accept the position and the cost of moving;
- e. Whether a recruitment bonus or relocation bonus would be more appropriate, and/or;
- f. Budget constraints.

## 9. PROCESSING AND ACCOUNTING PROCEDURES FOR ADVANCED PAYMENTS

Before making an advanced payment each Agency and Staff Office shall:

- a. Require that the employee sign an agreement to repay any amount for which repayment has not been waived by the Agency head under 5 CFR 550.206.
- b. Obtain a signed statement (see Figure 1) from the employee indicating:
  - (1) That the advance in pay will be recovered by the Federal Government through installments under Agency procedures for payroll deductions or by salary offset procedures under 5 CFR 550, Subpart K, beginning on the second pay period after the one in which the advance was issued;
  - (2) The total amount of the advance in pay, total number of pay periods for repayment, and the amount that will be deducted from the pay of the employee by payroll deductions;

- (3) That the employee may prepay all or part of the balance of the advance payment at any time before the money is due;
  - (4) That the amount of the advance in pay not yet repaid by an employee or waived by the Agency Head, Staff Office Head, or his designee, is due and must be repaid by the employee upon transfer to another Agency or termination of employment for any reason; and
  - (5) That any amount of the remaining balance of the advance in pay that has not been waived or repaid by the employee on transfer or termination for any reason must be recovered by salary offset under 5 CFR 550, Subpart K, and/or by such other method as provided by law.
- c. Within 3 workdays after the employee has entered duty, the servicing Human Resources Office should process the approved advance of pay with the National Finance Center following the procedures described in *Title 1, Payroll, Personnel Manual, Chapter 11, Nonautomated Processing*); and
  - d. The maximum period of time an Agency or Staff Office may establish for recovery of an advance payment is 14 pay periods beginning on the date the advance in pay is made to the employee. Seasonal or temporary employees may not receive an advance in pay when it is expected that the debt cannot be collected within 14 pay periods.

## 10. WAIVING REPAYMENT OF ADVANCE

Agency Heads and Staff Office Heads or their designees are delegated the authority to waive in whole or in part, a right of recovery of an advance payment under 5 U.S.C. 5524a and 5 CFR section 550.206, if it is determined that recovery would be against equity and good conscience or against the public interest under criteria established by the Agency.

## 11. RECORDKEEPING

Use of this authority by Agencies and Staff Offices will be evaluated as a part of the Department's accountability assessment program. Regular reporting is not required at this time; however, reports on the use of this authority may be requested periodically.

12. FIGURE 1

**SAMPLE FORMAT FOR EMPLOYEE AGREEMENT**

Employee Name:  
Social Security Number:  
Position Title:  
Pay Plan, Series and Grade:  
Duty Location:  
Accounting Classification Code:  
Object Class Code:

1. I have been informed that I will receive \$ \_\_\_\_\_ as an advance in pay. This advance in pay will be recovered by the United States Government through biweekly deductions from my salary effective on the second pay period after the one in which the advance is issued.
2. I have been informed that in accordance with the order of precedence for payroll deductions prescribed by the Government Accountability Office, an advance of pay is considered to be an indebtedness that is payable to the United States Government, and that deductions for this indebtedness therefore precede other voluntary deductions, including allotments and assignments of pay.

I understand that 15% of my disposable earnings will be deducted from my pay until the debt has been satisfied, unless I make other repayment arrangements as indicated on my Repayment Agreement.

3. I also understand that I may repay all or part of the balance of the advance in pay at any time before the money is due.
4. If I default on repayment, I understand that the provisions of 5 CFR 550, Subpart K, will take effect.
5. I understand that if I transfer to another Government agency or if my employment with USDA is terminated for any reason, the remaining balance of an advance in pay not yet repaid is due and must be repaid to the Federal Government unless repayment is waived in whole or in part under 5 CFR section 550.206 and that the amount advanced that has not been repaid is recoverable from me as a debt due the United States Government.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

-END-