



DEPARTMENT OF THE ARMY
266th FINANCIAL MANAGEMENT CENTER
UNIT 23122
APO AE 09227

AETS-FCZ

28 September 2011

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Policy Letter 4, Advances and Collections of Advance Station Housing Allowance (ASHA) or Overseas Housing Allowance (OHA) Security Deposit (SD)

1. References.

- a. The Joint Federal Travel Regulation (JFTR) Chapter 10, U10028, May 2011.
- b. Department of Defense Financial Management Regulation (DoDFMR) Volume 5, Chapter 13, January 2011.

2. Purpose. The purpose of this memorandum is to establish policy for the disbursement and collection of Advance Station Housing Allowance (ASHA) or Overseas Housing Allowance Security Deposits (SD).

3. Scope. This policy applies to all Soldiers who receive their military pay support from the 266th FMC. This includes the Pay Center of Excellence (PCE), Belgium Finance Office (BFO), Italy Finance Office (IFO), and the Financial Management Companies (FMCOs) assigned to the 16th Sustainment Brigade.

4. Responsibilities.

- a. Chief, 266th FMC Policy Section. Serve as approval authority for requests for exception to this policy.

- b. Senior Financial Management Leaders (Directors, Chiefs, and Finance Officers).

- (1) Provide written implementing procedures to personnel regarding the policy set forth herein and oversee daily execution of this policy.

- (2) Ensure all in processing Soldiers are briefed on this policy, particularly the financial consequences of failing to repay an ASHA SD advance.

- (3) Ensure all Soldiers who defer "suspend" an ASHA SD understand their obligation to repay the U.S. government any gain made due to rate of exchange (ROE) fluctuations, and that they sign the statement of understanding (See Encl 1).

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c. Chief, 266th FMC Cash Management Office. Provide written implementing procedures to Cash Management Branch personnel and Finance Customer Support Team (FCST) personnel regarding the policy set forth herein and oversee daily execution of this policy.

d. Chief, 266th FMC Internal Control (IC) Section. Ensure the requirements outlined herein are added to the IC checklist and execute periodic special reviews to ensure its compliance.

5. Policy. All Soldiers entering into contracts for economy quarters who are required to make a SD are eligible for, but are not required to take, an ASHA. It is therefore critical that Finance in processing personnel educate arriving Soldiers on alternatives to taking an ASHA (personal funds, advance pay, etc.). Soldiers may decide to either “prorate” collection of their ASHA SD over the duration of their tour, or defer (“suspend”) payback until time they vacate their economy quarters.

a. Soldiers who elect to “prorate” collection of their ASHA SD over the duration of their tour will not have a calculation of gain or lose using the ROE.

b. Soldiers who elect to defer “suspend” the SD are required to return the full amount of the SD in Euro or USD value of the Euro he/she originally received, regardless of the ROE, once economy housing is vacated. The FCST will calculate the gain or loss using the ROE from when the Soldier was advanced and the ROE for the current date the Soldier is returning the cash. If there is a foreign currency gain the Soldier is required to return the gain along with the amount that is shown on the Soldier’s MMPA. If there is a loss it will be absorbed by the government.

c. Soldiers who PCS or otherwise vacate economy quarters without returning the ASHA will have the full amount collected in lump sum, to include any gain due to the ROE.

d. Soldiers who decide to pay back a “suspended” SD prior to PCS/clearing of economy quarters will likewise be obligated to surrender any foreign currency gain to the U.S government. Those who return their ASHA early must do so in cash (no payroll deduction), and still calculate the gain/loss using the ROE the day the Soldier requests the early payback. As in all other cases, the U.S. government will absorb any foreign currency loss on the SD.

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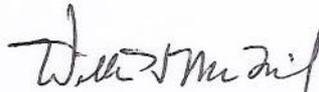
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6. POC for this policy is the FMC Policy Section, DSN 483-8150/8216, commercial 0631-411-8150/8216.

First in Finance Support!

FOR THE COMMANDER

Encl
Statement of Understanding


WILLIAM H. McQUAIL
Deputy Director, FMC

DISTRIBUTION:
DIRECTOR, PCE
CHIEF, BENELUX FINANCE OFFICE
CHIEF, ITALY FINANCE OFFICE
CDR, 106TH FMCO
CHIEF, CASH MANAGEMENT OFFICE
CHIEF, INTERNAL CONTROL



DEPARTMENT OF THE ARMY
266th FINANCIAL MANAGEMENT CENTER
Unit 23125
APO AE 09227

STATEMENT OF UNDERSTANDING

SUBJECT: Indebtedness to the US Government for Overseas Housing Allowance (OHA) Security Deposit

Soldier's Name, Rank, and SSN: _____

1. In accordance with the Joint Travel Regulation (JFTR) Volume I, U10028 C (6), "The Service concerned absorbs any loss due to currency fluctuations when liquidating advance security deposits. **The member must pay to the Service any gains due to currency fluctuations.**"

2. By signing below I certify that I understand that I am not authorized to keep any gain resulting from money advanced to me by the U.S Government to cover my OHA security deposit. I also understand that the U.S government will absorb any foreign currency loss I experience on my suspended OHA security deposit money.

3. I understand that this advance is essentially an interest-free loan from the U.S. government which I do not have to take. I also understand that, due to daily currency fluctuations the Euro value of the dollars I am advanced may be slightly more or less on the day I receive them than what they would be today. This reality exists because it will take several days for my advance to reach the bank.

4. I understand that upon clearing quarters I must immediately return my security deposit in Euros or the USD Value of the Euro. I understand that if my landlord returns my security deposit in cash (Euros), I must bring all of that money to the finance office. In the event, the landlord withholds a portion of the security deposit; I understand that I am responsible to the government for the full amount of the security deposit (USD Value). I also understand that if the landlord wires my security deposit back to my bank, I will withdraw the wire transferred amount and report to the finance office to get deposit paperwork to take to the bank or get a collection processed through the servicing finance office.

5. I understand that should I fail to return my entire security deposit the full amount will be collected immediately from my military pay.

6. I understand that I must hold on to this statement of understanding and have it with me when I out-process finance or clear economy quarters, whichever comes first.

Original OHA security deposit advance: \$ _____

Today's date and exchange rate: _____

Soldier's Signature: _____ Date: _____