



# NASA Financial Management Manual

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## FMM 9621 NASA PAYROLL MANAGEMENT

### **9621-1 PURPOSE**

This chapter sets forth general principles, standards, policies, and procedures to assure compliance with statutory and regulatory requirements regarding the pay, leave, and allowances of NASA employees.

### **9621-2 STATUTORY RESPONSIBILITIES**

- a. Development, maintenance, and operation of NASA's payroll system is governed by Title 5, Government Organization and Employees, of the United States Code and other Federal statutes and regulations issued by various Federal entities, including the following: Comptroller General of the United States, the Department of Treasury, including the Internal Revenue Service, the Office of Personnel Management (OPM), the Department of State, the Department of Labor, the Office of Management and Budget, the Federal Retirement Thrift Investment Board, Health and Human Services, Social Security Administration, Federal Reserve, and the Joint Financial Management Improvement Program (JFMIP).
- b. The Privacy Act of 1974 (5 USC 552a) contains the provisions for safeguarding individual privacy from misuse of records and documents related to pay, leave, and allowances.

### **9621-3 PAYROLL MANAGEMENT OBJECTIVES**

Objectives of NASA payroll management are:

- a. Prompt payment in the proper amount to all entitled persons in compliance with laws, regulations, and legal decisions;
- b. Payment by electronic funds transfer (EFT) in accordance with the Debt Collection Improvement Act of 1996 and 31 CFR 208, except where a waiver has been granted in accordance with 31 CFR 208.4;
- c. Proper accounting for and disposition of all authorized deductions from gross pay;
- d. Adequate control over retention and disposition of all payroll-related documents;
- e. Preparation of adequate and reliable payroll records. Individual pay records for all personnel must be maintained to show gross compensation (including allowances by type and amount), deductions (including allotments) by type and amount, and net pay for each pay period. As a part of NASA's financial management system, these records must be maintained by calendar year, leave year, tax year, or fiscal year, as appropriate, to support:
  - (1) Management information needs;
  - (2) Planning, preparation, execution, and review of the budget; and



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- (3) Internal and external reporting requirements.
- f. Effective communication with employees on payroll matters;
- g. Adequate control over all phases of pay, leave, and allowances; and
- h. Effective interaction of the payroll function with general ledger, personnel, and cost accounting functions.

## **9621-4 PAYROLL SYSTEM DESCRIPTION**

- a. **GENERAL.** The NASA Personnel/Payroll System (NPPS) is a component of NASA's financial management system. It supports personnel and payroll functions and provides for single source data input to an integrated database. It includes automatic generation of the SF 50, Notice of Personnel Action, and performs computations related to pay and leave. Outputs from the system include electronic media for the Department of the Treasury, National Finance Center, and Social Security Administration. It also includes automatic report generation of withholdings and contributions for health benefits, life insurance and retirement (SF 2812) data for reporting to OPM. NPPS performs an on-line edit of all input data and includes control processes to ensure data integrity.
- b. **RELATIONSHIP OF NASA PERSONNEL/PAYROLL SYSTEM (NPPS) TO ACCOUNTING SYSTEM.** NPPS is the sole source for all employee and employer cost information related to processing the biweekly payroll. As such, it provides data to NASA's accounting system to record general ledger information such as retirement and U.S. Savings Bond balances. NPPS provides information to the accounting system on hours worked and leave taken, and their related costs, for generation of various cost reports.
- c. **SOURCES OF PAYROLL DATA.** Employee data records are updated each pay period to reflect changes in employee status. Employee pay change data is provided in internal reports to the Center payroll office via personnel actions entered on-line as Nature of Action Codes (NOAC). These actions are supported by signed copies of system generated SF 50's or equivalent documentation. Employee-initiated actions are entered via Employee Express or by the Center payroll staff in an on-line environment with an immediate update to the database. These actions are entered from the original source document which is subsequently filed in the employee's official payroll file. Examples of these documents are:
  - (a) Employee address changes;
  - (b) Federal, State and city tax withholding certificates;
  - (c) Direct Deposit Sign-Up forms;
  - (d) U.S. Series EE Savings Bonds payroll authorizations; and
  - (e) Payroll deductions for union dues.



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## 9621-5 RESPONSIBILITIES

Payroll responsibilities of various organizations and employees are described below.

### a. DEPUTY CHIEF FINANCIAL OFFICERS, FINANCE (DCFO (F))

- (1) Encourage employees to have their net pay sent electronically (EFT) to accounts in a financial institution; and
- (2) Ensure that funds certifications are provided to the NASA Consolidated Payroll Office (CPO) in a timely manner to assure the availability of funds for payroll disbursements.

### b. NASA CONSOLIDATED PAYROLL OFFICE (CPO)

**The CPO, located at Marshall Space Flight Center, has primary responsibility for all NASA payroll processing activities. Center DCFOs (F) shall work closely and cooperatively with the CPO, and vice versa, to ensure that the objectives in FMM 9621-3 are met. Specific CPO responsibilities include:**

- (1) Maintain adequate records to satisfy Centers' needs and assure compliance with Federal statutory and regulatory requirements;
- (2) Provide correct data to Treasury regional disbursing offices and the Federal Reserve for issuing and delivering checks and bonds;
- (3) Identify to Treasury regional disbursing officers, in writing, Designated Agents responsible for receipt and delivery of checks and bonds;
- (4) Institute adequate controls and facilities for safekeeping of checks and bonds;
- (5) Assure all documents received affecting pay are promptly processed in accordance with established schedules;
- (6) Sort and segregate documents to facilitate data entry through input terminals;
- (7) Correct errors or contact submitting office or employee to obtain information necessary to correct errors detected;
- (8) Maintain controls over automated payroll processes;
- (9) Maintain employee and payroll report files and other payroll document files necessary to support all pay actions;
- (10) Make supplemental payments when necessary by preparing a separate SF 1166, Voucher and Schedule of Payments;
- (11) Provide documentation to OPM to support retirement actions;
- (12) Reconcile total of net pay, deductions, and employer's contributions with the grand total charged to the appropriation on SF 1166;
- (13) Submit tax reports to Federal, State, and local authorities;



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- (14) Account for and report to employee organizations the amount of dues deducted by employee and the total amount remitted;
- (15) Verify the SF 1166 is certified by an authorized certifying officer before transmission to the Department of the Treasury Disbursing Officer (see FMM 9627);
- (16) Account for U.S. Savings Bonds, Series EE, deductions and arrange for Federal Reserve issuance of bonds;
- (17) Examine all Time and Attendance (T&A) data and all other documents or data input affecting an employee's pay and deductions for completeness, certification, and approval;
- (18) Based on SF 1150, Record of Leave Data, determine the amount of leave an employee has to his or her credit (see FMM 9623-2);
- (19) Maintain individual retirement records of service history and fiscal record for Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) employees and quarterly reconcile retirement accounts; and
- (20) Prepare annual Summary Retirement Fund Transactions for CSRS and FERS employees.

## c. PERSONNEL OFFICES

- (1) Provide CPO and Center Payroll Offices with documentation reflecting initial employment status of individuals to be included on payroll and subsequent changes to their employment status and salary; and
- (2) Provide CPO and Center Payroll Offices with notices of retirements, separations, transfers, and other documentation concerning employee benefits and salary.

## d. EMPLOYEES

Employees have the choice of using Employee Express (an automated system which eliminates forms and electronically processes data), the Internet, or the Center personnel or payroll office to initiate the processing of discretionary personnel and payroll transactions.

## d. CENTER PAYROLL OFFICE:

Provide to the Consolidated Payroll Office the T&A Report and Labor Cost Report to include the following:

- (1) Accurate T&A data for each employee in accordance with established schedules;
- (2) Required certifications for all T&A data submitted;
- (3) Overtime authorizations;
- (4) Labor code data reflecting authorized programs, projects, and functions; and



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- (5) Time and attendance data for review of leave and overtime data resulting from automated processes.

## **9621-6 INTERNAL CONTROL**

Internal control procedures will be under constant surveillance by the DCFO (F), CPO, and others with payroll-related responsibilities to ensure they are effective. Internal controls over payroll operations include, but are not limited to, the following:

- a. There must be separation of duties among those on the following list. Where the size of the organization does not permit separation of these duties, the most effective separation feasible under the circumstances must be provided. In any case, item (1) must always be separate from the other duties:
  - (1) Authorization of pay and entitlements;
  - (2) Certification of payments;
  - (3) Payroll computation;
  - (4) Recording of payroll data in accounts;
  - (5) Distribution of pay;
  - (6) Review of payroll transactions;
  - (7) Automated system development;
  - (8) System testing;
  - (9) System implementation; and
  - (10) System maintenance.
- b. The following must be restricted to authorized personnel:
  - (1) Access to personnel, payroll, and disbursement records or data files;
  - (2) Access to forms used in authorizing special entitlements, allowances, and pay rates; and
  - (3) Payroll processing equipment and related software.
- c. Wherever feasible, employees engaged in payroll activities must not maintain or provide service for their own payroll and personnel records. Where the size of an office is so small that this is not feasible, employees may only maintain and provide service for their own routine deductions, such as withholding exemptions for Federal, State and local tax purposes, and voluntary allotments.



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- d. To detect inappropriate data at the earliest time and to the extent practical, data entered into automated payroll systems must be subjected to computerized edits when entered. Data elements not susceptible to such edits must be edited at the earliest practical time. Inappropriate data detected must be promptly investigated, corrected, and, if appropriate, reprocessed. A record of such data, its originator, and its disposition must be maintained.
- e. To ensure that source documents processed are accurate, complete, and properly authorized, corrections and other adjustments to official documents must be approved in writing or utilize the automated system adjustment processes.
- f. Internal management reviews must be performed to ensure that payroll operations are efficient, effective, and in accordance with laws, regulations, and legal decisions.



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## FMM 9622 TIME AND ATTENDANCE

### **9622-1 GENERAL**

A record of time in pay and non pay status must be maintained for purposes of computing pay, leave, and allowances. For each employee and each pay period, a certified time and attendance report must be furnished to the appropriate payroll office; this will be the basis for salary payment to the employee. For detailed instructions on the preparation and submission of the biweekly time and attendance report, refer to the Center's time and attendance instructions.

### **9622-2 METHODS OF RECORDING**

Time and attendance data will be recorded on designated forms (or related supporting documentation, if appropriate) or entered directly into an electronic system. The bases for recording the time and attendance of most employees are:

- a. The supervisor's or timekeeper's observation and recording of employees' hours worked;
- b. Other automated timekeeping devices (for employees on a flexible schedule); or
- c. Serial time sheets on which employees' sign their names and record their numbers of hours worked. When departing work, employees will again sign their names, and record their numbers of hours worked. Time sheets with employees' names preprinted on the sheet or designed to provide number of hours worked information are not acceptable.

### **9622-3 EXCEPTIONS**

In instances where employees (1) work hours outside the hours of their timekeepers and supervisors, (2) work at remote sites away from their supervisors and timekeepers, or (3) are based primarily at the location of their supervisors and timekeepers, but frequently work elsewhere, the techniques listed below must be followed in order to provide reasonable assurance that employees are working when scheduled:

- a. Arrangements with other timekeeping or supervisory personnel to observe the employees' hours worked;
- b. Occasional supervisory telephone calls to the employee during times the employee is scheduled to be on duty;
- c. Determining reasonableness of work output for time spent;
- d. Occasional visits by the supervisor to the employee's work site; or



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- e. Sign-out/sign-in sheets indicating employees' destinations and times of departure to and returns from those destinations; or
- f. Other methods as approved in writing by the Center DCFO (F).

## **9622-4 TIME AND ATTENDANCE REPORTS**

Time and attendance forms, supporting documents, or computer files of time and attendance data must be maintained to show that each employee is entitled to his or her normal pay, or to a greater or lesser amount, by showing the number of hours worked and the nature and length of absences.

All time and attendance reports and other supporting documents must be reviewed and approved by an authorized official knowledgeable of the employee's number of hours worked and absent. The authorized official acknowledges awareness and understanding of his or her responsibility when he or she signs the document or enters a designated approval code (electronic signature) into an automated system. Approval of time and attendance documents must be based on knowledge obtained as provided in paragraphs 9622-2 and 9622-3 above.

- a. Time and attendance reports must:
  - (1) Cover no more than one pay period;
  - (2) Include the following data or supporting documentation, as a minimum, for each employee:
    - (a) Employee name and identifying number;
    - (b) Pay period number or dates;
    - (c) Tour code to identify the tour the employee is assigned to work;
    - (d) Number of hours worked by day and in total;
    - (e) Number of hours of premium pay, by type of premium pay, to which the employee is entitled;
    - (f) Number of credit hours and compensatory time earned and used;
    - (g) Number of hours of leave taken, by type;
    - (h) Dates and amount of leave taken (hours);
    - (i) Handwritten signature or automated approval code (electronic signature) of an authorizing official;
    - (j) Any required supporting documentation for absences; and
    - (k) Any other information the Centers may require.



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- (3) Include a regular workweek schedule reflecting “first 40” hours, flexible work schedules, or compressed work schedules  
(Note: Employees may not be on any of the above schedules while in a travel status. The employee may be required to revert to the standard tour of duty hours of the Center or facility while in a travel status); and
  - (4) Where the time and attendance reporting system is automated, the computer file must contain all the data elements that would appear on a hard copy.
- b. For computerized time and attendance systems in which time and attendance data is contained in a computer file and displayed on a terminal, a single code may be entered by the supervisor to approve the information contained in the file provided that:
- (1) The data elements necessary for computation of pay are contained in the file;
  - (2) Any related documentation or data elements, including approvals, are maintained in computer files;
  - (3) Supporting documents or computerized files are reviewed by the supervisor prior to approving time and attendance data; and
  - (4) A record of changes made to a file, once approved by someone other than the original approving official, is generated and sent to either the original approving official or some designated person other than the one who made changes.
- c. Safeguards to prevent unauthorized entry and changes must be implemented when using automated signatures for approval of time and attendance reports.
- d. Time and attendance information must be submitted through the Center’s payroll office to the CPO for all employees.



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## FMM 9623 LEAVE

### **9623-1 GENERAL**

Leave is intended to be used for all non-work absences to accurately account for and properly charge the appropriate leave category or excused leave for the particular situation. All hours of leave are governed by NASA policy and administration as specified by OPM through the Code of Federal Regulations and as interpreted in the decisions of the Comptroller General.

### **9623-2 REQUIREMENTS**

Payroll system requirements for maintaining leave data:

- a. Leave records must be properly maintained for each employee to reflect:
  - (1) The rate of accrual for each type of leave which may be accrued;
  - (2) The hours accrued and used by leave type;
  - (3) The total hours and type of advance leave authorized;
  - (4) Any leave received or given under an authorized voluntary leave transfer program;  
and
  - (5) The numbers of hours for any leave ceilings, by type of leave.
- b. Leave must be accurately accrued:
  - (1) Leave must be based on the type of appointment for each employee and the leave hours to which the employee is entitled;
  - (2) The number of hours of each type of leave must be accurately accrued during the leave year; and
  - (3) Controls must be implemented to ensure that leave ceilings are not exceeded at the end of a leave year and that any leave in excess of ceilings is either restored or dropped, as appropriate.



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- c. Leave taken must be properly authorized and documented:
  - (1) Leave used must be documented and approved in writing or electronically by a supervisor designated to make such approvals. Examples of proper documentation and authorization include use of standard forms for leave authorization, approval by memorandum or letter, completing designated blocks on time and attendance or absence forms, approval through entry of a code into an automated system, and other methods properly designed to document leave.
  - (2) Documentation for leave used must show the dates, amounts, and types of leave taken. Documentation must be maintained to support entitlement to certain types of leave, where applicable, such as subpoenas for court attendance as a witness; certificates of attendance in support of court leave granted for jury duty; military orders and certifications of attendance supporting military leave granted; and memorandums of approval to restore unused leave which would otherwise be lost.
- d. Information on leave use and accrual must be accurately determined and promptly provided to ensure certain leave-related collections from employees and for preparation of financial reports.

The payroll system must provide information to the general ledger, accounts receivable, or collections system to ensure prompt and accurate collection, through establishment of accounts receivable, appropriate reports, and follow-up actions, of:

- (1) Health and life insurance premiums when gross pay is insufficient to fund the deductions (such as when an employee is on leave without pay and must pay NASA for health insurance premiums in order to keep the insurance in force);
- (2) Collectible court juror or witness reimbursements to employees while not in a leave status; and
- (3) Leave taken in excess of leave earned at separation.

## **9623-3 REPORTING LEAVE DATA, TRANSFERS, AND SEPARATIONS**

SF 1150, Record of Leave Data, will be prepared in duplicate by the CPO at the time of transfer or separation. The original of the SF 1150 will be forwarded to the receiving activity or, in cases of separation, to the personnel office for inclusion in the employee's official personnel file. If the SF 1150 is delayed, and the employee must take leave, NASA, as the gaining activity, is responsible for determining the amount of leave an employee has to his or her credit. This can be accomplished by using the leave balance shown on the employee's last leave and earnings Statement, subject to verification upon receipt of the SF 1150.



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## FMM 9624 GROSS PAY

### 9624-1 GENERAL

Pay calculations must be performed at the end of each pay period after processing properly authorized time and attendance reports containing information on time worked and leave taken. Gross pay is defined as the product of a pay rate multiplied by the number of pay units (hours, days, or other appropriate units). Gross pay includes all taxable and nontaxable pay before deductions, including awards of back pay and accumulated interest under 5 USC 5504. In addition to regular ("base" or "basic") and overtime pay, gross pay also may include the value of allowances, such as foreign post differential, and cost of living allowances. The various types of allowances are discussed in FMM 9625.

### 9624-2 REQUIREMENTS

The following are required to meet payroll system gross pay objectives:

- a. Gross pay must be accurately computed.
  - (1) The payroll system must contain and compute correct dollar values for allowances, entitlements, and awards of back pay and interest, and correctly include them in the determination of gross pay.
  - (2) Gross pay, including allowances and entitlements where applicable, must be properly adjusted for leave without pay or absence without leave.
- b. There must be adequate and accurate documentation.
  - (1) Center payroll office and CPO staff must review pay, leave, and allowance documentation before processing it to ensure that: (a) all information necessary to process and support transactions has been supplied, (b) the proper official has approved the data as complete and accurate, and (c) pay rates and units are current.
  - (2) Each employee must be provided a leave and earnings statement showing the nature and amount of changes in gross pay from one pay period to the next.
  - (3) Documentation on pay, leave, and allowances must be stored in accordance with the General Records Schedule to support all computations of gross pay. Documentation for rates and units of pay, time in pay status, and entitlements must be maintained and readily available for operational and audit needs.



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- c. Entitlements must be properly authorized.
  - (1) Entitlements to and establishment of rates of pay, leave, and allowances must be approved by individuals who have no responsibility for computing the payroll, entering payroll data into the accounting records, entering hours worked or other units of pay into the payroll system, and distributing pay.
  - (2) Time worked and leave taken, as recorded on time and attendance or absence reports, must be properly authorized.
  - (3) No employee may authorize his or her own entitlement to, or rate of, pay, leave, and allowances.
- d. Gross pay must be properly budgeted and charged to appropriate accounts.



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## FMM 9625 ALLOWANCES AND OTHER SPECIAL ENTITLEMENTS

### **9625-1 GENERAL**

The Office of Personnel Management provides Government-wide leadership by developing and maintaining regulations and policies on pay administration, including basic pay setting, locality pay, special pay rates, back pay, pay limitations, premium pay, grade and pay retention, severance pay, recruitment and relocation bonuses, retention allowances, and cost-of-living allowances. Each Federal agency is responsible for administering appropriate pay policies and programs for its own employees. Payroll allowances or other special entitlements must be properly authorized and documented by an appropriate form signed or electronically approved by a designated official.

### **9625-2 REQUIREMENTS**

Payroll system requirements for allowances and other special entitlements are:

- a. Each allowance or special entitlement granted must be properly authorized and documented by an appropriate form signed or electronically approved by a designated official.
- b. A record of each type of allowance or special entitlement granted must be maintained for each employee to show:
  - (1) The nature and type of each allowance or special entitlement granted;
  - (2) Any conditions related to the allowance or special entitlement; and
  - (3) The period of time.

The dollar value of each allowance or special entitlement must be properly determined and promptly entered into the payroll system.

### **9625-3 EXAMPLES OF VARIOUS TYPES OF ALLOWANCES AND SPECIAL ENTITLEMENTS**

- a. **BACKPAY.** Under the provisions of 5 USC 5596, when an appropriate authority finds that an employee was affected by an unjustified or unwarranted personnel action that resulted in the withdrawal, reduction, or denial of all or part of the pay, allowances, and differentials otherwise due the employee, the payment of backpay, interest, and reasonable attorney fees for the purpose of making the employee financially whole is authorized. (Ref: 5 CFR Part 550)



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- b. **ENVIRONMENTAL DIFFERENTIALS.** Section 5343(c)(4) of title 5, United States Code, authorizes payment of an environmental differential, for prevailing rate employees (wage grade) when exposed to a working condition or hazard that falls within one of the categories approved by the Office of Personnel Management. (Ref: CFR 532.511)
- c. **HAZARD PAY DIFFERENTIAL.** Section 5545(d) of title 5, United States Code, as amended, authorizes payment of differentials for duty involving unusual physical hardship or hazard to employees. Regulations governing hazard pay are contained in 5 CFR Part 550-Pay Administrative, (General) Subpart I-Pay for Duty Involving Physical Hardship or Hazard. (Ref: 5 CFR 550.907)
- d. **MONETARY AWARDS.** The payment of monetary awards to NASA employees will be processed only upon receipt of a properly approved authorization. Monetary awards will be included in the employee's regular salary payment. Royalty payments are only subject to Federal, State and local income taxes. Regarding the taxability of unpaid amounts for salary and monetary awards due decedents, see Part III, Chapter 4000 of the Treasury Financial Manual (TFM).
- e. **INJURY, TRAUMATIC (CONTINUATION OF PAY).** The Federal Employees' Compensation Act (FECA) as amended (5 USC 8101) provides compensation and authorized medical care for all civilian employees of the United States for disability due to personal injury sustained while in the performance of duty. Regulations governing injury compensation are contained in 20 CFR, Part 10.
- f. **LOCALITY-BASED COMPARABILITY ADJUSTMENTS.** The percentage rate for the locality-based comparability adjustment will be paid to General Schedule employees whose official duty stations are listed in 5 USC 5304. The duty station of the employee's position of record is as indicated on his or her most recent notification of personnel action. .
- g. **LUMP-SUM ANNUAL LEAVE PAYMENTS.** In accordance with 5 USC 5551, as amended, an employee who is separated from the Federal service or enters on active duty in the Armed Forces, is entitled to receive a lump-sum payment for accumulated and unused current accrued annual leave to which he or she is entitled by statute.

In accordance with 5 USC 5552, as amended, an employee who enters on active duty in the Armed Forces has the option to elect lump-sum payment for accumulated and unused accrued annual leave or to elect to have the leave remain to his or her credit until their return from active duty. However, any unused leave restored under 5 USC 6304(d)(1) may not be retained, but must be liquidated by lump-sum payment immediately, provided it is still available for use within the time limits prescribed by OPM regulations (FPM, Supplement 990-2, Book 550).



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- h. **OVERSEAS DIFFERENTIALS AND ALLOWANCES.** Allowances and differentials for foreign posts of duty are authorized under the provisions of the Overseas Differentials and Allowances Act Public Law 86-707 (5 USC Ch. 59, Subchapter III). NASA has an interagency agreement with the Department of State whereby NASA employees permanently assigned overseas are paid through the U.S. Department of State and the funds are charged against NASA appropriations. The Director, Financial Management Division, NASA Headquarters, is responsible for coordinating arrangements with the Department of State for pay and allowances as individual employees are assigned to overseas posts.
- i. **OVERTIME AND COMPENSATORY TIME.** Requests for overtime work will be ordered or approved by a properly designated official. The authorizing or approving official must be at least one level senior to the official requesting approval. Overtime will be limited to cases of necessity. All requests will state the reason the work cannot be performed during normal working hours. Except in emergencies, overtime will be authorized in advance. (Ref: 5 CFR Part 551)

Original overtime and compensatory time authorizations will be retained by the authorizing office or other control point for three years to substantiate pay. Original requests will be made available for audit by the General Accounting Office, Inspector General's Office, and Center payroll office.

In accordance with section 210 of the Federal Employees Pay Comparability Act of 1990 (FEPCA), Public Law 101-509, enacted November 5, 1990, overtime pay for nonexempt Fair Labor Standards Act (FLSA) employees will always be computed and paid under the FLSA, as provided in Part 551 of title 5, of the Code of Federal Regulations (CFR). Under the FLSA provisions, hours in a paid nonwork status shall be deemed to be hours of work.

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- j. **PAYMENTS DURING EVACUATION.** To the extent possible and practicable, during an evacuation, pay, leave, and other significant data will be sent from the evacuated Center to the safe-haven post as soon as possible after the evacuation order has been issued so that they will be available to support further payments. To the extent possible and practical, employees remaining at the evacuated Centers will continue to be paid in accordance with normal fiscal procedures. Where normal procedures cannot be followed, the CPO, in consultation with Center and Headquarters management, will implement emergency processing procedures. This includes utilizing backup NASA Automated Data Processing Consolidation Center (NADPCC) facilities and emergency operating processes to pay personnel at evacuated locations.



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- k. **RECRUITMENT OR RELOCATION BONUSES.** In accordance with 5 USC 5753, an amount up to 25 percent of an employee's rate of basic pay (excluding any comparability payments under section 5304) may be paid, in a lump sum, to new appointees to assist in hiring highly qualified employees for difficult-to-fill positions; or to current employees to assist in relocating highly qualified employees to different commuting areas for difficult-to-fill positions.
- l. **RETENTION ALLOWANCE.** In accordance with 5 USC 5754, an amount up to 25 percent of an employee's rate of basic pay (excluding any comparability payments) may be paid, in the same manner and same time as basic pay, to a current employee to assist in retaining the employee for a key position based on the unusually high or unique qualifications of the employee or special needs of NASA for the employee's services. Payment of the allowance will be based on a written determination that in the absence of such allowance the employee would be likely to leave. A retention allowance is not considered a part of an employee's rate of basic pay for computing any additional pay or allowances; or for any other purpose. Retention allowances are subject to income tax and FICA.
- m. **SEVERANCE PAY.** The authority for payment of severance pay is contained in 5 USC 5595. Severance pay is authorized for employees who are involuntarily separated from Federal service, not by removal for cause on charges of misconduct, delinquency or inefficiency, and meet other conditions of eligibility of the law. Payment will be made biweekly based on the salary the employee would be paid if still employed.
- n. **UNEMPLOYMENT COMPENSATION.** Title 5, United States Code (USC), Chapter 85, as amended, provides for a program of unemployment compensation for unemployed Federal civilian employees. The Secretary of Labor is responsible for the general administration of the Unemployment Compensation for the Federal Employees (UCFE) program. State employment security agencies are responsible for determining entitlement to compensation and the amount of benefits payable to unemployed Federal civilian employees under the provisions of the applicable State unemployment insurance law.

In accordance with 20 CFR, Part 609, the CPO and Center payroll offices will provide State employment security agencies with information concerning Federal service and Federal wages of an employee as necessary for the determination of the entitlement of the employee to compensation (e.g. verification that the employee performed Federal service; the periods of Federal service; the amount of Federal wages; reasons for termination of Federal service) within four work days after receipt of request from the State employment security agencies (FPM Chapter 850).
- o. **UNIFORM ALLOWANCE.** In accordance with 5 USC 5901-5902, as amended, use of appropriated funds for the purpose of paying uniform allowances is authorized. The cost of uniforms, or the allowance to each eligible employee for acquisition of uniforms, shall not exceed \$400 a year. NMI 3594.1\_ provides delegation of authority and NASA's policy on allowances for uniforms.



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## FMM 9626 PAYROLL DEDUCTIONS

### **9626-1 GENERAL**

A deduction is any subtraction from gross pay or wages due an employee.

### **9626-2 AUTHORIZATION**

Payroll deductions or withholdings made from an employee's pay must be:

- a. Properly authorized by the employee, or in accordance with applicable laws;
- b. Adequately documented; and
- c. Paid when due to the appropriate recipient in the amount authorized.

### **9626-3 TYPES OF DEDUCTIONS**

The three basic types of deductions are those:

- a. Required by laws, regulations, or legal decisions, such as:
  - (1) Federal, State, and local income taxes (26 USC 3102 and 5 USC 5516, 5517, 5520), and FICA (26 USC Ch. 21);
  - (2) Retirement (5 USC Chapter 83, 84 and 5 CFR 831, 841);
  - (3) Garnishments for alimony, child support, and commercial garnishments (42 USC 659 and 661);
  - (4) IRS tax levies (26 USC 6331 and 6334); and
  - (5) Other indebtedness to the U.S. Government.
- b. For benefits specifically authorized by law, such as:
  - (1) Federal Employees Health Benefit (FEHB) program (5 USC 8901 through 8913); and
  - (2) Federal Employees Group Life Insurance (FEGLI) (5 USC 8700).
- c. Which are voluntary, personal allotments to designated payees, such as:
  - (1) Thrift Saving Plan (TSP) (5 USC 8432);
  - (2) U.S. Savings Bonds, Series EE (1 TFM 3-6000);
  - (3) Savings allotments (1 TFM 3-9000);
  - (4) Combined Federal Campaign (5 CFR 550.341 and 1 TFM 3-7000);



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- (5) NASA Employees Benefit Association (NEBA) life insurance;
- (6) Dues to authorized employee organizations (5 CFR 550, Subpart C and 1 TFM 3-7000); and
- (7) Labor Union Dues (5 USC Chapter 71).

## **9626-4 ORDER OF WITHHOLDING PRECEDENCE FOR DEDUCTIONS**

In accordance with Title 6, Chapter 5 of the GAO Policy and Procedures Manual for Guidance of Federal Agencies, when the gross pay of an employee is not sufficient to permit all deductions required by law to be made, the deductions will be taken in the following order, unless specified otherwise by a bankruptcy court under the bankruptcy laws of title 11 of the United States Code or under the laws of title 5 of the United States Code (USC). In such instance, the court's order must be followed.

- a. Retirement (CSRS or FERS);
- b. FICA tax or Medicare tax;
- c. Federal income tax;
- d. Health insurance premiums (current pay period and, if owed by employee, for up to four pay periods immediately preceding the current period);
- e. Basic group life insurance premiums;
- f. State income tax;
- g. Local income tax;
- h. Mandatory repayment of debts to the United States including unpaid advances of pay, travel, etc.;
- i. Court-ordered Garnishment for alimony and child support payments;
- j. Commercial garnishments;
- k. Voluntary alimony or child support payments;
- l. Court-ordered bankruptcy payments under title 11 of the United States Code;
- m. Optional life insurance;
- n. Voluntary repayments of indebtedness to the United States;
- o. All other voluntary deductions, including Thrift Savings Plan (TSP) or repayment of TSP loans; and
- p. IRS levy for back Federal income taxes (based on net take-home pay).



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## **9626-5 DEDUCTION TO COLLECT ERRONEOUS PAYMENT**

Section 5514 of title 5 of the United States Code authorizes that deductions may be made from the current pay of employees to satisfy indebtedness incurred as the result of an erroneous payment to or on behalf of the employee. Determination of indebtedness of the employee shall be made by authorized NASA officials (NPD 9645.2\_). When it is found that an erroneous payment has been made, the employee involved will be notified, in writing, regarding the indebtedness.

## **9626-6 DEDUCTION TO COLLECT DELINQUENT FEDERAL INCOME TAX**

Section 6331 of the Internal Revenue Service Code permits district directors of the Internal Revenue Service to levy on the accrued salary or wages of any employee of the United States in order to satisfy a tax liability. Since the levy is served against the "take home pay" of the employee, the employee shall not be permitted to increase any voluntary allotment after a notice of levy has been received until the tax liability is liquidated or other arrangements satisfactory to IRS are made. Before a notice of levy is issued by the Internal Revenue Service, an employee may make an arrangement with the IRS to liquidate his or her tax liability by voluntary payroll deductions.

- a. **SETTLEMENT THROUGH PAYROLL DEDUCTION.** When an employee makes a satisfactory arrangement with the IRS to liquidate his or her tax liability by payroll deduction, an original Payroll Deduction Agreement (IRS Form 2159) signed by the employee and the IRS will be delivered to the Center payroll office. The IRS Form 2159 will specify the amount to be deducted each pay period, the employee's tax account number, and the number of consecutive pay periods that the deduction will be made.
- b. **SETTLEMENT BY LEVY.** As a general rule, Notice of Levy on Wages, Salary, and Other Income (IRS Form 668-W) will be served directly on the payroll certifying officer by the Internal Revenue Service. A levy upon wages or salary is continuous from the date the levy is first made until the liability-giving rise to the levy is satisfied or until a release of levy is received from the Internal Revenue Service. Payroll deductions will be made according to the order of precedence shown in paragraph 9626-4 above.

## **9626-7 JURY DUTY FEES**

Under the provisions of 5 USC 5537, no jury fees are paid to employees who are called upon for jury service in any court of the United States and therefore no collection is required.



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Every effort will be made to collect any fees paid the employee by state courts for jury duty. However, that part of the fee received for periods of jury duty which are for time not within the employee's normal workday or week and consequently not covered by court leave for jury duty, may be retained by the employee. Amounts received by an employee that are specified by the court as reimbursement for expenses, (i.e., traveling expenses) rather than compensation, may be retained by the employee. Prior to collection, Center payroll offices must determine, based on the applicable local jurisdiction laws governing the court, whether jury fees paid to employees constitute reimbursement for expenses in lieu of compensation for services. If direct collection is not made, the amount due will be collected by payroll deduction.



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## FMM 9627 PAYROLL-RELATED DISBURSEMENTS

### **9627-1 GENERAL**

Disbursements must be properly authorized, adequately documented, accurately computed, and promptly paid. The GAO Policy and Procedures Manual for Guidance of Federal Agencies, Title 6, Chapter 7, contains requirements to meet NASA's objectives for payroll system disbursements.

A SF 1166, Voucher and Schedule of Payments, is prepared on the basis of computed pay and deductions for employees. Electronic media containing payee names, check mailing addresses and individual check amounts provides the detail supporting the schedule. Detailed instructions for the preparation of the SF 1166 are prescribed in the Treasury Financial Manual. The SF 1166 lists disbursements as follows:

- a. Net pay to employees by means of electronic fund transfer to the employee's financial organization or, where a waiver has been requested, by individual check;
- b. Allotments to financial institutions via electronic funds transfer (EFT);
- c. To State and local taxing authorities to pay State, including the District of Columbia, and local income taxes withheld;
- d. Transferring deductions for Civil Service Retirement System/Federal Employee Retirement System retirement, life insurance and accidental death and dismemberments insurance, and health benefits, along with related NASA contributions, to the Office of Personnel Management. This includes the annuity offset from the pay of reemployed annuitants; however, it does not apply to retirees reemployed under the provisions of 5 USC 5532(g)(1) as amended by the Federal Employees Pay Comparability Act (FEPCA) of 1990;
- e. Transferring Federal income tax deductions, along with NASA and employee FICA and Medicare contributions, to the Internal Revenue Service; and
- f. Transferring Federal Employee Retirement System Thrift Savings Plan deductions for employee's contributions and loan repayments and employer's contributions to the Federal Retirement Thrift Investment Board.

### **9627-2 CERTIFICATION AND TRANSMISSION**

The SF 1166 and the related magnetic tape or electronic media for the creation of EFT payments or checks, should be verified prior to certification. Verification must be performed to provide a cross-check for accuracy and to reduce the possibility of unauthorized, fraudulent, and other irregular acts.



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The payroll voucher must be certified according to Treasury requirements and transmitted to the Treasury Regional Disbursing Office, by an authorized certifying officer who does not compute the individual amounts payable or maintain the payroll records.

The authorized certifying officer will make an examination of the facts underlying the vouchers as is necessary to assure the correctness and validity of the payments. Title 7 of the GAO Policy and Procedures Manual for Guidance of Federal Agencies contains the responsibilities of certifying officers.