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**RESCISSIONS**

The following material is rescinded.

**1. COMPLETE RESCISSIONS**

**a. Interim Issues**

- II 10-214
- II 10-399
- II 10-75-18
- II 10-79-24
- II 10-79-28
- II 10-81-34
- II 10-82-43
- II 10-82-52

**b. Manuals**

- (1) MDC-7

Chapters 1, 2, 3, 6, 7, and 8; figures 1 and 2; appendixes A and B

- (2) M10-6

Chapter 7

- (3) M-1, Part I, changes 27, 36, 44, 74, 84, 56, 112, 121

**c. Technical Bulletins**

TB 10A-251

**d. Circulars**

- 10-83-64
- 10-90-083, Supplement No. 1

**e. All Station Letters and/or Other Communications**

Date	Subject
September 21, 1953	Quarters, Subsistence, and Laundry Furnished to Individuals Serving on a "Without Monetary Compensation" Basis

March 11, 1988

## CHAPTER 2. QUARTERS AND SUBSISTENCE

### SECTION I. QUARTERS

#### 2.01 GENERAL

The VA policy covering the furnishing of quarters to employees is contained in appendix 2A. Policy governing charges for rental quarters is provided in appendix 2B. Annual costs to the Government for maintenance and operation of Personnel quarters will be offset by annual rental receipts at each facility in accordance with DM&S Supplement to MP-3, paragraph 3.19. This policy contemplates that quarters necessary for effective operation will be fully utilized or, if not fully utilized, reported to the Associate Deputy Chief Medical Director, through the appropriate Regional Director, for discontinuance. Full utilization means a minimum of 90 percent occupancy of available rooms in non-housekeeping quarters. Quarters structures which cannot be maintained at full utilization will not be kept open for occupancy. However, one non-housekeeping structure for female personnel and one for male personnel may be operated at less than full utilization. Recommendations for discontinuance of quarters will include a proposal for disposition of the Government property involved. Rates applicable to specific groups are described in subsequent paragraphs.

a. **Responsibility.** The Chief, Engineering Service, is responsible for managing the operation of housekeeping and non-housekeeping quarters.

b. **Leases.** The leasing of quarters is not authorized except where indicated in this manual. All proceeds from such leases will be covered into the Treasury of the United States as miscellaneous receipts. The rentals will be collected in accordance with applicable fiscal procedures. Rental collections for leased quarters will be in advance by the month. Proration of rentals and refunds will not be made in the event the lease is terminated during a rental period, except in the event of discharge, separation for the convenience of the Government, or transfer of the employee; however, when termination of employment is anticipated, less than a full month's rental may be collected for that month, such amount to be prorated according to the number of days of occupancy. Charges may be prorated also when the tenant is assigned quarters after the first of the calendar month.

c. **Execution of Lease.** VA Form 08-6056a, Lease Between United States of America and ----, will be used for the leasing of quarters.

#### 2.02 ASSIGNMENT TO EMPLOYEES

No personnel, other than those listed in paragraph 2.07 of this manual will be required to live on the facility grounds. When other employees desire to live on the facility grounds, and quarters are available, they may be assigned at the discretion of the Director.

#### 2.03 ASSIGNMENT TO OTHER PERSONS

On specific approval by the Director, available quarters may be furnished patients' or members' relatives or visitors, guests of employees, VA employees on extended detail, VA employees in travel status, and other authorized personnel specified in this chapter. Quarters so provided will be a bedroom (and bath, if available) and will include such items as linen, soap, towels, and maid service, if authorized. A relative or other person where visiting on account of the serious illness of a patient or member, will be entitled to priority in assignment of quarters. The Director will be responsible for establishing adequate procedures to ensure appropriate collections in all cases.

#### 2.04 SUBRENTING

Quarters may not be subrented either directly or indirectly.

#### 2.05 SHARING

Non-housekeeping quarters may be temporarily shared with visiting relatives of employees.

## **2.06 EMPLOYEES IN TRAVEL STATUS OR ON DETAIL**

As a general rule, when employees in travel status or on detail desire quarters they will be assigned to non-housekeeping quarters, if available. However, when there is a furnished house, apartment, or other housekeeping quarters available, this space may be assigned at the discretion of the Director.

## **2.07 KEY EMPLOYEES REQUIRED TO OCCUPY HOUSEKEEPING QUARTERS**

It has been administratively determined that the following employees in the order named in VA medical centers, medical and regional office centers or domiciliaries must be assigned to quarters, if available, and live on the facility grounds. The assignments must be made in the following order:

Management Representative ( Director, Associate Director or Assistant Director )  
Engineering Representative ( Chief Engineer, Assistant Chief Engineer, Staff Engineer, Chief M&R or Chief Operations )  
Clinical Representative ( Chief of Staff, Associate Chief of Staff, Chief, Bed Service or Staff Physician )

At medical centers without an Associate Director, an administrative service chief can be designated as a management representative and as a required occupant.

A deviation shall be granted to permit the continued occupancy of a current resident designated as a key employee occupant under previous guidelines ; however, upon the vacancy of such an employee, revised guidelines will become applicable.

Where there is a combined health care facility, each division of the facility will be considered as a separate facility for the purposes of this paragraph. In such cases, the Director will be required to reside at one and the Assistant Director at the other. When the Director also serves as Chief of Staff, the Associate or Assistant Director will be required to live in housekeeping quarters to assist the Director in discharging his/her management functions. The rental charge for these five sets of housekeeping quarters will not be regarded as part of the employees' gross salary for Federal income tax purposes under current IRS (Internal Revenue Service) rulings.

a. **Exceptions.** In individual cases, extenuating circumstances may indicate that a listed employee should be permitted to live elsewhere. The Director may grant such permission if the necessary service or coverage is provided by a substitute tenant. In such cases, the quarters may be reassigned by the Director to a staff member who will provide this service or coverage. Permission for the Director to live off the facility must be obtained from the Associate Deputy Chief Medical Director. Any substitute assignments must be made with the clear understanding that the assignment is temporary and subject to cancellation if the incumbent of one of the listed positions is replaced. In all instances of substitute assignments, such employees will be required to live on the facility grounds, in quarters, in the same manner as the five listed positions. The rental charges for the employee who occupies quarters in lieu of the listed employee will not be regarded as part of that employee's gross salary for income tax purposes so long as the employee occupies the quarters designated for one of the above-listed positions.

b. **Other Employees Occupying Housekeeping Quarters.** Housekeeping quarters in excess of the five sets of quarters indicated above may be assigned in accordance with the determination of the Director as to priority. The rental charge for these quarters will be considered as part of the employee-occupant's compensation (salary deduction). When housekeeping quarters are assigned to facility canteen or purchase and hire employees, such quarters will be covered by lease.

**March 11, 1988**

**M-1, Part I  
Chapter 2  
Change 4**

**2.08 COLLECTION BY SALARY DEDUCTION**

Rental charges to employees for occupancy of quarters will be collected by salary deduction.

**2.09 COLLECTION IN ADVANCE ON LEASE BASIS**

Extended assignments (30 days or more) to other than that facility's employees will be covered by lease, e.g., purchase and hire, etc.

## 2.10 REGULAR ASSIGNMENTS TO NON-HOUSEKEEPING QUARTERS

Assignment to quarters either designated for male or for female occupancy will be made without regard to position title.

## 2.11 FURNISHED WITH CHARGE

- a. **Relatives or Other Persons Visiting Patients or Members.** The daily rate applies.
- b. **Relatives or Other Persons Visiting Employees.** The daily rate applies, unless the visitor occupies housekeeping quarters assigned to the employee.
- c. **Salaried Representatives of Service and Welfare Organizations on Full-time Duty at the Facility.** The monthly rate applies, and collections in advance on a lease basis.

## 2.12 FURNISHED WITHOUT CHARGE, IN LIEU OF MONETARY COMPENSATION, FOR SERVICES RENDERED

The following persons who render services to VA and do not receive monetary compensation for these services may be furnished quarters on the basis indicated below without charge if the services rendered are commensurate with the rental charge:

- a. **On an Occasional Basis.** (1) Those who render services on an occasional basis and who are authorized to serve in the "without compensation" category. Examples: VAVS volunteers, a troupe of "performers" and/or non-employee attendants; (2) Staff physicians and residents who perform scheduled duty after normal working hours or who serve as Officers of the Day.
- b. **On a Regular Basis.** Students or trainees participating in affiliated programs as well as individuals rendering regular, emergency and "on call" service of a quasi-technical or paramedical nature. After appropriate approval for each program and individual has been obtained, appointments will be made under the authority of 38 U.S.C. 4114 in accordance with the provisions of VHA Supplement to VA Manual MP-5, part II, chapter 2.
- c. **Emergency Situations.** Directors, after declaring that an emergency exists, will use their discretion in authorizing quarters free of charge to employees serving in the emergency situation. The hardship on the employee, relative ease or difficulty in utilizing an alternative lodging resource, and possible adverse reaction to charging for lodging while at the same time requiring the employee's presence should be taken into consideration. Emergency situations are defined as extreme weather conditions, public emergency situations such as breakdown of public equipment, serious interruption of public transportation services, civil disaster, fire, flood, etc., which would normally permit excusing employees from duty or reporting for duty, without charge to leave.

## 2.13 FURNISHED TO VA RESIDENTS AS PARTIAL COMPENSATION FOR THEIR SERVICES

- a. VA may provide free quarters to VA medical and dental residents whose index hospital counterparts receive free quarters as partial compensation.
- b. VA may furnish free quarters to VA residents who serve short rotations (6 months or less) at a VA medical facility and establish the need for a second residence because the

substantial distance to the VA medical center makes commuting from the university affiliate impractical while the brevity of the training assignment rules out a permanent change of residence. In this situation, free quarters would be furnished to both residents on the VA payroll and residents appointed to VA WOC (without compensation).

c. The use of the authority in paragraphs a. or b. requires the written approval of the ACMD for Academic Affairs.

d. When free quarters are provided to residents pursuant to paragraphs a. and b. the value of their stipends, which is the value of the quarters plus any cash compensation, shall be reviewed pursuant to MP-5, part II, chapter 3, change 22, paragraph 3A.09b(2). If required by this manual provision the cash stipend paid to a resident shall be reduced by the value of the quarters.

#### **2.14 RECORD OF ASSIGNMENTS**

Adequate records will be maintained to reflect the cost of operating quarters and the rate of utilization. The records will contain the rental rate for each unit, the name of the individual assigned, date of assignment, and date of termination. These records will be reconciled periodically with fiscal records to assure that proper collections have been effected, and will be retained for review by the General Accounting Office and other authorized personnel. VA Form 10-2125, Veterans Administration Guest Lodging Authorization and Temporary Receipt, will be used to record assignments to "guest" quarters.

#### **2.15 BUILDING MANAGEMENT SERVICE**

Routine cleaning will be provided in community areas in non-housekeeping quarters. Periodic cleaning activities will be provided on a scheduled basis. Maid service may be provided in non-housekeeping quarters when authorized by the Director and reflected in the rental rate. Housekeeping quarters will be cleaned as necessary only between occupants. Pest control services will be provided in housekeeping and non-housekeeping quarters as appropriate. Interior design services will be included in the medical center interior design plan for housekeeping and non-housekeeping quarters.

#### **2.16 USE OF FACILITY LAND FOR GARDENING PURPOSES BY PERSONNEL OCCUPYING FACILITY QUARTERS**

The Director may designate and set aside an area or areas for gardening purposes in accordance with the provisions of VHA Supplement to MP-3, paragraph 2.12. Patients or members will not be assigned to the care of employees' gardens as an occupational therapy or other detail. Use of Government tools, implements, equipment, fertilizers, supplies, etc., for developing or maintaining personal gardens is prohibited.

#### **2.17 RENTAL RATES**

a. The monthly rate will be applicable when quarters are assigned by salary deduction or lease.

b. When the following persons are supplied quarters at a VA facility, on a temporary or transient basis, the quarters occupied will be charged for at rates equivalent to private transient housing of comparable type and quality. A daily rate will be charged for each

"lodging day" supplied. A lodging day will extend from 12:00 noon 1 day to 12:00 noon the succeeding calendar day. However, when local circumstances warrant, Directors may designate a lodging day that begins and ends at times other than 12:00 noon. Such a designation, when made, will be issued as a facility policy statement and made known through distribution and posting to all concerned persons. Charge will be made for full days only; fractions of days will be considered as full days. No charge will be made if the lodging arrangements are mutually canceled prior to occupancy. When no rental properties are available for comparison, the rates to be charged will be arrived at by employing the real estate concept of "rental value." These rates will be established through application of appendix 2B, together with applicable VA Regulations.

- (1) Relatives or other persons visiting patients.
- (2) Relatives or other persons visiting employees (including relatives sharing non-housekeeping quarters).
- (3) Employees in travel status or on detail, occupying non-housekeeping quarters while on per diem.
- (4) Individuals performing official duties at the facility, not specifically covered elsewhere.

**c. The Following Special Considerations Are Applicable**

(1) An employee absent on leave will not be furnished separate quarters at another facility without charge therefor. The charge for quarters provided at the employee's duty facility (salary deduction or otherwise) will not be considered as payment for quarters occupied at another facility during a period of leave.

(2) No charge will be made to the guest of an employee when the guest is accommodated in housekeeping quarters assigned to that employee.

(3) No charge for sleeping accommodations will be made to an employee living elsewhere who is required to remain on duty status overnight.

(4) When employees in travel status or on detail are assigned to housekeeping quarters, they will be charged the monthly rate; one-thirtieth of the monthly rate will be charged for each day the quarters are occupied.

(5) No charge for sleeping accommodations will be made to an employee living elsewhere who is serving in an "on-call" capacity and who elects to remain overnight and such election is determined to be beneficial to the facility.

**2.18 CONDITION OF HOUSEKEEPING AND NON-HOUSEKEEPING QUARTERS**

**The Resident may be billed for:**

a. Any unnecessary roughness or damage above and beyond fair wear and tear. Unnecessary roughness or damage is defined as: irreparable damage to both personal property (refrigerator, stove or dishwasher); and/or building service equipment

(sink, tub, toilet, lights); and/or, any defacement of interior or exterior walls, windows, flooring, door and other fixtures.

- b. Any charges to haul excess trash, left either inside the quarters or on the grounds outside the quarters.
- c. Any cleaning over and above normal average time of 16 hours restorative cleaning.

**2.19-2.20 (Reserved.)**

**SECTION II. SUBSISTENCE**

**2.21 GENERAL**

a. The VA and other Government agencies are required to charge for subsistence at a rate which is commensurate with the cost incurred by the agency for the subsistence. Appendix 2A will be used as a guideline for establishing the appropriate subsistence rate.

b. All references in this manual to authorizing persons other than inpatients, to receive meals in VA dining room facilities, are subject to the availability of such facilities as determined by the Director.

**2.22 DEFINITIONS**

a. **Full Subsistence.** Three meals a day from 5 to 7 days per week. The exact number of days will be predetermined as appropriate.

b. **Partial Subsistence.** One or two meals a day for 5 days a week; or, in specified cases, 6 or 7 days a week.

c. **Annual or Contract Rate.** Based on the complete aggregate cost of three meals a day, 7 days a week for 11 months and prorated as indicated in current VA subsistence rates schedule.

d. **Regular Subsistence.** Full or partial subsistence at the applicable annual rate.

e. **Occasional Meal Rate.** Based on the complete aggregate cost of individual meals.

f. **Substitution of Meals.** When an employee misses a meal, he or she is not entitled to substitute another, either on the same or subsequent days. If an employee is required to work beyond the normal tour of duty, either extra hours on 1 day or an extra day(s) in a week, and is not to receive overtime pay for this duty, an equivalent meal(s) as a substitute for the meal(s) not taken during compensatory or "in lieu" time off may be taken.

g. **Contract.** VA Form 10-4560, Request and Authorization for Quarters, Subsistence, Garage or Parking Facilities and Laundry, will be authorized as a contract in all salary deduction cases.

h. **Meal Tickets.** VA forms standardized to insure uniformity of procedure.

**2.23 EMPLOYEES LIVING IN NON-HOUSEKEEPING QUARTERS**

a. Employees occupying non-housekeeping quarters may contract to receive meals, either full or partial subsistence, with the approval of the Director or the Director's designee. Where dining room facilities are limited, priority for requests from employees in general will be given to those in nonhousekeeping quarters.

b. Where VCS, commercial eating establishments, etc., are available, these employees may elect to use such resources. As a general policy, employees who make such an election will not be permitted to eat in VA dining room facilities.

## **2.24 EMPLOYEES LIVING IN HOUSEKEEPING QUARTERS**

As a general policy, employees occupying housekeeping quarters will not be permitted to eat in VA dining room facilities. Where circumstances fully justify a deviation from this policy, the Director may authorize these employees to contract for full or partial subsistence subject to the availability of adequate VA dining room facilities.

## **2.25 EMPLOYEES LIVING OFF THE FACILITY GROUNDS**

Employees living off the facility grounds will not be permitted to eat in VA dining room facilities when other resources are available. (Occasional meals may be authorized as provided in paragraph 2.32. When such other resources are not available and adequate VA dining room facilities are available, these employees may be permitted to contract for one or two meals a day, 5 days per week.

### **2.25.1 DIETETIC SERVICE PERSONNEL**

Adequate controls by which food consumption by employees can be monitored to ensure payment must be in effect.

## **2.26 VETERANS CANTEEN SERVICE EMPLOYEES**

Full or partial subsistence may be provided under the administrative conditions prescribed for other employees, including the conditions governing charges and adjustments. Costs will be deducted by payroll deduction on the same basis as for all other employees.

## **2.27 PURCHASE AND HIRE EMPLOYEES**

Annual rates will be appropriate for the full employment period only if such employees will be continuously employed on the project for a period in excess of 30 calendar days. Otherwise, the daily rate is applicable. OF 1114, Bill for Collection, will be issued on a regular payroll period basis to recapture the amount of the applicable full annual rate.

## **2.28 VA EMPLOYEES ON TEMPORARY DUTY OR DETAIL**

a. Employees under contract at their home facility may be furnished the same meals at the temporary duty facility, and subject to mutual agreement by the two Directors. If the employee is on per diem, this provision is applicable only if the authorized per diem rate has been reduced by an amount equal to the daily subsistence rate.

b. Employees not under contract may be furnished subsistence at the occasional meal rate.

### **[ 2.29 MEALS FURNISHED TO NON-CAREER MEDICAL AND DENTAL RESIDENTS (HOUSE STAFF) BASED ON LOCALITY PRACTICES**

a. Facility Directors may establish matching meal plans for non-career medical and dental residents based on practices found at the facility's index hospital. (For definition of index hospital, see DM&S Supp., MP-5, pt. II, par. 3A.09.) Plans so established will provide VA paid or WOC exchange non-career residents with gratuitous or reduced-cost meals under terms and in amounts comparable to those made available to residents at the index hospital. For example, if the index hospital provides 3 meals a day "in kind," 5 days a week at no cost to residents, the matching VA meal plan may provide up to 3 gratuitous meals a day, 5 days a week. Local management considerations may result in the VA matching meal plan being less permissive than the index hospital's meal plan. The locally developed and approved meal plan, however, may not be more permissive. Written exceptions may be granted by the ACMD for Academic Affairs, under unusual circumstances.

b. Facilities establishing matching meals plans for non-career residents will maintain close liaison with the index hospital in order to assure that practices remain as comparable as practicable. The Chief of Staff is responsible for assuring that index hospital meal practices are formally reviewed once each year. The Chief of Staff will assure that records of these reviews are properly maintained. The review file should include a current copy of the index hospital's meal policy

statement, if available. In any event, the file should contain material provided by the index hospital which would be adequate for audit purposes.

c. Index hospital policies regarding meals for residents vary substantially throughout the nation. Variations include 3 gratuitous meals daily up to 7 days a week, 3 gratuitous meals daily 5 days a week, a gratuitous noon meal daily, gratuitous meals incident to Officer of the Day duty, gratuitous meals incident to weekend duty, gratuitous meals incident to standby or "on call" duty, meals at discount rates, up to \$90 worth of gratuitous meals per month, meals at nominal cost, such as \$1 each, etc. It should be possible to establish a matching meal plan to meet any of these circumstances. The Chief of Staff is responsible for establishing procedures necessary for implementing such plans.

d. The locally developed meal plan will be used in lieu of stipend supplements described in DM&S Supplement, MP-5, part II, paragraph 3A.09(4)(b) when an index hospital provides meals "in kind" or at discount. It will not be used to correct inequities unrelated to index hospital meal policies. It will not be used in lieu of index hospital meal allowances paid totally in cash. It will not apply to non-career residents during those periods when they may, coincidentally, be serving as fee-basis admitting physicians.

### **2.30 NON-VA PERSONNEL**

a. Full-time salaried representatives of recognized service organizations who occupy non-housekeeping quarters may be furnished subsistence at the annual rates and under the same administrative requirements applicable to VA employees. If not occupying non-housekeeping quarters, occasional meal rates are applicable.

b. Relatives or Other Persons Visiting Patients or Members. Occasional meal rates apply.

c. Persons Engaged in Authorized Activities at the Facility. Occasional meal rates apply.

d. Guests of Employees. Occasional meal rates apply.

### **2.31 OCCASIONAL MEALS**

a. An occasional meal, at the occasional meal rate, may be authorized by the Director for employees and other persons, consistent with the needs of the facility.

b. Occasional meals may be authorized at no cost for outpatients in accordance with paragraphs 2.35 and 2.36.

### **2.32 MEALS FURNISHED WITHOUT CHARGE FOR SERVICES RENDERED**

a. **General.** At the discretion of the Director, persons who are authorized to provide services to the VA without compensation may be provided meals or other nourishment free of charge on an occasional basis when the value of the services is commensurate with the value of the meal. Examples are VAVS volunteers, a troupe of performers, non-employee attendants, blood donors who contribute blood without charge to the facility, etc. Persons who are remunerated for the services performed are ineligible. Except as noted in subparagraph b(1) below, employees serving in standby situations or "on call" cannot receive free meals.

#### **b. Specific**

(1) Residents who perform scheduled duty after normal working hours (including weekends and holidays) or who serve as Officers of the Day are entitled to meals without charge during these assignments. These include supper, the late night meal or substitute, breakfast (where the tour of duty has included the previous night) and lunch (Saturday, Sunday and holidays only). These do not include meals which are furnished under annual contract for which salary deductions are made. The Chief of Staff is responsible for establishing procedures to insure that these physicians are properly scheduled and the Dietetic Service is given advance notice of their names and schedules. This notice will be given the morning after duty in emergent instances. Physicians performing such duties for a fee are excluded from this provision even though such physicians may coincidentally hold additional appointments as VA non-career residents. At the discretion of the Director,

residents serving in standby situations or "on call" may receive free meals while performing services at the facility over a meal hour, but only if they do not receive compensation for the services and only if the facility's index hospital (as defined in DM&S Supp. to VA Manual MP-5, pt. II, ch. 3) authorizes such meals for its residents who perform similar duty. NOTE: Meals may not be furnished without charge to staff physicians.

(2) During an emergency, meals may be provided on the same basis as quarters. (See par. 2.12c.)

(3) Meals and refreshments will not be served to individuals attending meetings or conferences at VA facilities. These include Medical District or Regional meetings, veterans' service organizations, secretary council, visits by groups such as student groups, Deans Committee, medical society, etc.

(4) Beverages, food or other nourishment for between meal snacks for other than patients or blood donors will not be served.

(5) Meals will not be authorized without charge for employees who, while on a tour of duty, accompany patients on an outing or trip or otherwise attend or supervise patients in dining room facilities or elsewhere where the patients are eating meals.

**[ 2.32.1 REFRESHMENTS AT ANNUAL RECOGNITION CEREMONIES FOR VOLUNTEERS**

Facility unearmarked General Post Funds may be used for the purpose of providing refreshments at annual recognition ceremonies for volunteers. Expenditures for this purpose can not exceed \$500 per year. Requests for exceptions to exceed the \$500 limit should be forwarded to the appropriate Regional Director (135). Comptroller General Decision B-152331, dated November 19, 1975, recognized the propriety of using General Post Funds for this purpose. The Administrator authorized the Chief Medical Director to establish maximum expenditures.

**[ 2.33 ] MEALS FURNISHED WITHOUT CHARGE TO OUTPATIENTS**

Outpatients, including applicants for treatment, may be provided meals without charge under the following circumstances:

a. When a veteran requests and is determined eligible by Medical Administration Service for the necessary expenses of travel (including lodging and subsistence) to or from a VA facility or other place for the purpose of examination, treatment or care and is either issued authorization for transportation, meals and lodging, or is reimbursed for the actual expenses of same (excluding reimbursement based on mileage), and the authority for the meal(s) is issued as an expense incidental to the travel in the form of a meal ticket for use at a VA Canteen or Dietetic Service dining room facility, or

b. A beneficiary was requested to report in the morning for examination or treatment without breakfast, or

c. A veteran is held over at the VA health care facility as a lodger, when the necessity for the layover has been medically or administratively determined in accordance with the provisions of VA Manual M-1, part 1, chapter 1, section V, or

[ d. Veterans participating in an ongoing outpatient program approved by the Chief Medical Director, which includes meals without charge as part of the total services made available to the veteran participants. Examples are:

(1) The Day Hospital Program (Program Guide G-9, M-2, pt. X)

(2) Certain patients in the Day Treatment Program (G-10, M-2, pt. X). In this program, meals without charge are provided only within an established program as part of the specific treatment plan for a veteran. That is, meals may be provided only if they are prescribed by the physician as part of the overall treatment plan. It is not intended to be a perpetual arrangement. Meals without charge are not intended for every veteran participating in the Day Treatment Program;

(3) Veterans participating in an established Adult Day Health Care Program designed as a medical model, who are receiving medical services ordered by a physician. Meals without charge may be provided if the medical services are provided over a meal hour, and the meals have been specifically prescribed by a physician as part of the medical services that were ordered.

e. Meals without charge will not be provided to mental hygiene patients or to other veterans who happen to be at a VA health care facility over a meal hour, whether by appointment or not, unless eligibility is established under the provisions of this paragraph. Meals without charge will not be offered to veterans as an inducement or reward for participation in a program, or to continue treatment.

#### 2.34 TYPE OF MENU

a. **Basic Menu.** All persons for whom subsistence is authorized will be served from the same menu as that provided for beneficiaries on regular diet.

b. **Modified Diets.** Modified diets will be provided to patients only.

#### 2.35 (Reserved.)

### SECTION III. RATES, CHANGES AND ADJUSTMENTS

#### 2.36 RATES

a. **Rental Rates.** The policy governing the establishment of monthly rental rates for quarters will be found in DM&S Supplement to MP-3, chapter 3, paragraphs 3.01 through 3.18.

b. **Subsistence Rates.** Dietetic Service at each facility will establish the cost for meals. The rates for subsistence will be based on the aggregate cost of meals, to include the cost of raw food, food preparation and service, and an inflation factor established by VA Central Office Dietetic Service (111I).

c. **Rates Under Salary Deduction.** The annual subsistence rate is based on the complete aggregate cost of three meals a day for 11 months, but this actual charge to the employee is prorated over a 12-month period. In view of this 1 month credit, no adjustment may be made for subsistence not taken during periods of leave, except as provided in paragraphs 2.42 and 2.43. The per annum rates, which represent eleven-twelfths of the aggregate annual cost, are shown in paragraph 2.40. The facility developed subsistence rates will be approved by the facility Director, coded into the paid system, and published locally. Directors are responsible for granting permission to employees to elect to take and pay for meals under contract.

d. **Annual Review of Rates.** To ensure recovery of the full cost of subsistence furnished to employees and other authorized persons, an annual review of established rates will be made by Dietetic Service Central Office (111I).

e. **Code.** Types of subsistence service are designated by code as shown in paragraph 2.40. The applicable code will be recorded on VA Form 10-4560.

**2.37 METHODS OF COLLECTION**

a. **Salary Deduction.** When subsistence is authorized as a part of compensation (salary deduction), payment will be effected and collections made in accordance with applicable fiscal procedures.

b. **Cash Collections.** When subsistence is provided on an occasional meal basis, or at the annual rates to those not subject to salary deduction, payment will be effected and collections made in accordance with the provisions of DM&S Supplement, MP-4, part I, paragraph 1E.04.

**2.38 SUBSISTENCE RATES AND CODES**

a. **Rates.** (See current VA subsistence rates schedule.)

b. **Coding Types of Subsistence Services.** The following two-digit code will be used to describe the service to be furnished employees. The number for a particular item involved and which is listed under one of the digits below will be shown as that digit in the code.

**1st Digit**

1. Employees on rotating shifts.
2. Residents on partial subsistence 7 days a week.

3. Other employees.
4. Residents on partial subsistence 6 days a week.

### **2nd Digit**

All employees, including those on rotating shifts, and residents whose meals vary.

1. Breakfast.
2. Noon or evening meal.
3. Full subsistence.
4. Breakfast and noon or evening meal.
5. Noon and evening meal.

Employees on rotating shifts

6. One meal a day.
7. Two meals a day.

Residents whose meals vary

8. One meal a day.
9. Two meals a day.

### **2.39 CHANGES IN SALARY DEDUCTION**

A salary deduction based on a completed VA Form 10-4560 may be changed only upon approval by the facility Director or designee.

### **2.40 MANDATORY CHANGES**

In cases of resignation, separation, transfer, or extended leave without pay (covering a period of 30 consecutive calendar days or more), an employee will be relieved from the provisions of VA Form 10-4560 on the last day of active duty and will not be entitled to any services formerly provided under that authorization. No deduction for subsistence will be made from lump sum payments for accumulated annual leave.

### **2.41 PROCESSING REQUESTS FOR CHANGES**

To the fullest extent practicable, changes in salary deductions should be made effective at the beginning of a pay period. VA Form 10-4560 will be utilized for this purpose.

### **2.42 ADJUSTMENTS IN SALARY DEDUCTIONS FOR SERVICES NOT UTILIZED**

As a general rule, no refund or credit will be allowed to employees under salary deduction for quarters, subsistence and laundry services not utilized during periods of annual and/or sick leave. Refund or credit is permissible, however under certain conditions as provided in paragraph 2.45. With respect to quarters, the appropriate rentalcharge will continue during all periods of authorized and unauthorized absences unless the quarters are actually vacated and are available for other assignment. The vacating of quarters means the removal of all personal effects from the quarters and from VA control and responsibility.

### 2.43 CONDITIONS UNDER WHICH ADJUSTMENTS ARE APPLICABLE

a. **When on Leave Pending Return.** For employees in a leave status who will resume utilization of services upon expiration of the leave, adjustments are permissible:

(1) For quarters vacated and available for reassignment when the employee is on extended leave for sickness or educational purposes. Extended leave, in this instance, means a minimum period of 30 calendar days, and adjustments may be made for this minimum period and all excess days.

(2) For meals not taken, when on sick leave, if the period of illness extends beyond 10 consecutive workdays. No refund or credit will be granted for meals not taken during the first 10 consecutive workdays of the period of illness. Annual leave taken in lieu of sick leave will be considered as sick leave in this context.

(3) For laundry services not utilized under conditions described in subparagraphs (1) and (2) above.

(4) For all services not utilized when granted military or court leave.

(5) For meals not taken during an extended period of LWOP (leave without pay) covering 30 consecutive calendar days or more, in which case adjustments may be made from the first day of absence from duty in an LWOP status.

b. **When on Leave Pending Separation.** For employees in a leave status pending separation, salary deduction arrangements for services not utilized will be terminated when the employee is:

(1) In an annual leave status pending separation for military service.

(2) In an annual or sick leave status pending separation for disability retirement.

(3) In an annual or sick leave status pending retirement.

c. **LWOP From Which There Is No Return to Duty.** Where an employee is in LWOP status from which there is no return to duty, adjustments may be made for all services not utilized from the last day of duty.

d. **Absence on Official Duty or Excused Leave.** When the employee receives per diem, no adjustment is permissible. When the employee receives no per diem, proportionate adjustments may be made for services not utilized.

e. **Upon Restoration to Duty After Removal, Suspension, or Furlough Without Pay.** If an employee is removed, suspended or furloughed without pay from a position, and is subsequently restored to active duty with compensation for the periods of absence, deductions will not be made from the employee's salary for the quarters, subsistence and laundry services not utilized during that absence.

f. **Administrative Requirements.** When an administrative action warranted by exceptional circumstances require discontinuance of quarters, subsistence and laundry services, appropriate action will be initiated concurrently to provide for the discontinuance of salary deductions for the period the employee is not permitted to utilize the services.

### 2.44 PROCESSING REQUESTS FOR ADJUSTMENTS

Requests for adjustments in salary deductions under the conditions set forth in paragraph 2.45 will be the responsibility of the employee concerned. The request will be channeled through the appropriate organizational elements for verification of the facts. The chief of the service concerned or designee will sign and forward the request to the Fiscal Service for refund or credit action.

2.45-2.47 (Reserved.)

## SECTION IV. MEAL TICKETS

### 2.48 TYPES OF EMPLOYEE MEAL TICKETS

The following types of subsistence tickets will be issued as applicable to employees who have subsistence contracts:

- a. VA Form 10-7095, Employee's Full Subsistence Ticket; VA Form 10-7096, Employee's Partial Subsistence Ticket (1 meal); or VA Form 10-7097, Employee's Partial Subsistence Ticket (2 meals).
- b. An embossed subsistence plate may be used in lieu of the full or partial subsistence ticket.

### 2.49 AUTHORIZATION FOR ISSUE OF MEAL TICKETS

Subsistence tickets (or plates) will be issued by the Dietetic Service on receipt of VA Form 10-4560, Request and Authorization for Quarters, Subsistence, Garage, or Parking Facilities and Laundry. Tickets (or plates) may be carried by the employee or retained on file in the Dietetic Service. When retained on file in the Dietetic Service, such tickets (or plates) will be available to those employees who are on authorized meal(s) contracts. When this latter procedure is used, the facility must assure that personnel using the meal tickets (or plates) are so entitled.

### 2.50 ISSUE PERIODS

- a. Printed subsistence tickets will be issued on a 28-day cycle. Instructions for entries are contained on the reverse of the meal tickets.
- b. Embossed plates will be reissued when a change in the subsistence contract requires a new plate.

### 2.51 HONORING MEAL TICKETS

- a. Meal tickets will be punched by an employee at the time each meal is served.
- b. Employees holding embossed plates will imprint a meal request ticket on a hand imprinter in the serving line and deposit the imprinted ticket at the end of the serving line.

### 2.52 COLLECTION OF EXPIRED MEAL TICKETS

On the last day of each issue period, the Dietetic Service will collect expired tickets and issue new tickets for the next issue period.

### 2.53 RETENTION OF CANCELED OR EXPIRED MEAL TICKETS

Canceled or expired tickets will be retained by the Dietetic Service and disposed of in accordance with DM&S Records Control Schedule 10-1.

### 2.54 RETENTION AND AUDIT OF IMPRINTED MEAL TICKETS

- a. All meal tickets imprinted from the embossed subsistence plates will be filed daily under the individual employee's name or plate number. A 10 percent cyclic audit sampling will be made for each 28-day period to determine whether employees in the sampling conform to contract limitations. Employees will be billed at the occasional rate for meals taken in excess of the contract. They will also be cautioned that further excess usage will result in disciplinary action. If the sampling audit indicates significant irregularities, a complete audit of all imprinted meal slips for that particular period will be taken.
- b. Imprinted meal tickets will be retained by the Dietetic Service and disposed of in accordance with DM&S Records Control Schedule 10-1.

**2.55 REPLACEMENT OF SUBSISTENCE TICKETS OR PLATES**

Employees will promptly report lost tickets or plates to the Dietetic Service. Request for duplicate tickets or plates will be made in writing by the employee to the Dietetic Service. The replacement plate/ticket will be identified as a duplicate.

**2.56 COLLECTION OF TICKETS OR PLATES AT TIME OF SEPARATION**

The operating service will be responsible for collecting subsistence tickets or plates from employees at time of separation. These will be forwarded to the Dietetic Service as part of the employee clearance procedure.

**2.57 PREPARATION OF SUBSISTENCE PLATES**

When plates are used in lieu of tickets the following minimum data will be embossed on the plates:

- a. Name of facility and location.
- b. Employee's name.
- c. The employee's plate number and the applicable subsistence code number.

**2.58 PATIENT MEAL TICKETS FOR USE IN DINING ROOM FACILITIES**

a. **Inpatient Diet Cards.** The Chief, Dietetic Service is responsible for issuing and maintaining VA Forms 10-2748a, Diet Card (Regular), or 10-2749a, Diet Card (Modified), for every person admitted to the medical center and for coordination with medical and allied services for effective scheduling and dietary care. Following discharge of the patient, the forms will be disposed of in accordance with DM&S Records Control Schedule 10-1.

b. **Outpatient Meal Tickets.** When meals are required for eligible outpatients, the following types of meal tickets will be issued:

(1) VA Form 10-2817, Veterans Administration Special Meal Ticket, will be issued to outpatients when dining room facilities are available in Dietetic Service. A separate ticket will be issued for each meal. The Director will delegate authority to concerned employees, e.g., medical administration, nursing, Officer of the Day, etc., to authenticate and issue VA Form 10-2817, Veterans Administration Special Meal Ticket. The Chief, Dietetic Service will review this function at least quarterly to determine that meals furnished outpatients on authority of VA Form 10-2817 are being provided in accordance with approved policy. Out-of-line situations, when identified, will be brought to the attention of the Director and corrective action taken. Review findings will be separately recorded and kept for later study, if indicated, and disposed of in accordance with DM&S Records Control Schedule 10-1.

**2.59 GUEST MEAL TICKETS FOR USE IN DINING ROOM FACILITIES**

a. Supply Service will be responsible for stocking and issuing VA Form 10-2684, Authority and Receipt for Guest Meal.

b. Supply Service will issue VA Form 10-2684, in blocks of 50 or 100, Pre-numbered consecutively before issued, starting with the number 1 at the beginning of each fiscal year.

c. When the pre-numbered forms are delivered and receipted for, a copy of the receipt showing the serial numbers will be forwarded to the Fiscal Officer.

d. Meals furnished in the VA facility will be considered in three categories:

- (1) Meals furnished with charge.

- (2) Meals furnished without charge, in lieu of monetary compensation, for services rendered.
- (3) Meals furnished without charge during an emergency.

e. The Director will approve paid guest meals and authenticate VA Form 10-2684, or delegate the authority to the chief dietitian or designee. The Director will also approve and authenticate the form for gratuitous meals, or delegate the authority to the appropriate official.

f. Gratuitous meals will be authorized by one of the two procedures described below:

(1) Employees who are serving without compensation and have subsistence contracts will be issued subsistence tickets. VA Form(s) 10-095, 10-7096 or 10-7097, employee's full and/or partial subsistence ticket, will be used. Embossed subsistence plates may be used in lieu of the standardized forms; or

(2) Employees, volunteers, entertainers, and other persons not having contracts for subsistence, and eligible to receive gratuitous meals, will be authorized such meals by issuance of VA Form 10-2684, Authority and Receipt for Guest Meal. This applies only when Dietetic Service has facilities available to furnish the meals.

g. One of the following two administrative processes will be used to authorize paid guest meals or gratuitous meals:

(1) A separate VA Form 10-2684 will be completed and presented to the Dietetic Service for each person authorized a meal; or

(2) A separate VA Form 10-2684 will be completed for two or more persons with the names of the authorized persons entered on the reverse. The total number of diners will be entered on the face of the form in the block "Signature of VA Employee or Name of Recipient." When space is inadequate to enter all of the names, only the total number of persons will be recorded and a list of names with signatures will be attached to the form. This number will be entered on the face of the form in the block, Signature of VA Employee or Name of Recipient, after the name of the person heading or coordinating the group, i.e., "Mr. John Doe, \_\_\_\_\_, and 15 guests."

Title

h. The responsible employee will maintain a record of all VA Forms 10-2684, Authority and Receipt for Guest Meal, received from Supply Service. Controls will be coordinated with the Fiscal Officer to insure that there is an accounting for each VA Form 10-2654, and that collection is effected where indicated.

## **2.60 AUTHORIZING ELIGIBLE EMPLOYEES, VETERANS, VOLUNTEERS AND OTHERS TO OBTAIN MEALS AT VA EXPENSE FROM VCS FOOD SERVICE ACTIVITIES**

When the Director has determined that it is advantageous to the VA, the following procedures will be observed in authorizing persons other than inpatients to obtain gratuitous meals from VCS Food Service activities:

a. The employee assigned the responsibility by the Director will submit a memorandum to the Chief, Canteen Service at the beginning of each month indicating the estimated number and cost of gratuitous meals to be furnished during the monthly period to each of the three groups of persons identified below:

- (1) Employees.
- (2) Beneficiaries (including non-employee attendants).
- (3) All Other Eligible Persons.

b. Establish and maintain with Fiscal Service VA Form 4-1355, Estimated Miscellaneous Obligation or Change in Obligation, as required by current instructions, in an amount representing the estimated cost of authorizations that will be issued during the month.

c. Establish local procedures necessary to provide that cost of meals furnished employees will be charged to the cost center where the employee is assigned, using sub-account 2580. Cost of meals for beneficiaries (including non-employee attendants) will be charged to cost center 602, using sub-account 2120. Cost of meals furnished other eligible persons will be charged to the cost center where the cost is incurred using sub-account 2580. At the end of each month the Canteen Service and Dietetic Service will notify the Fiscal Service by memorandum of the number of meals furnished WOC (without compensation) by cost center so the costs can be charged to sub-account 1069. This information must be received in sufficient time to be included in the current month's fiscal records.

d. The employee assigned the responsibility by the Director will issue a signed and numbered VA Form 10-3558, Veterans Administration Meal Ticket, to employees, WOC employees, volunteers, beneficiaries, and all others who are authorized to receive meals. The meal ticket, numbered and issued in numerical order, will show the date the meal is authorized, the name of the authorized recipient and the appropriate block will be checked as to the type of recipient. The issuing official will check the appropriate service block and sign the meal ticket. Each recipient will sign the meal ticket when issued and present it to the VCS cashier after selecting a meal. (The procedures in paragraph 2.61g(2) may be observed for utilization of one VA Form 10-3558 for several persons in a group.)

e. VA Form 10-7095, Employee's Full Subsistence Ticket, VA Form 10-7096, Employees' Partial Subsistence Ticket (one meal), or VA Form 10-7097, Employees' Partial Subsistence Ticket (two meals), when appropriately issued may be used also.

f. The Chief, Canteen Service, will establish a petty cash fund from Canteen Service's resources and place it in the custody of a VA employee to enable authorized persons in each eligible category to purchase food from VCS vending machines when VCS is closed. The same procedure will be used for authorizing, receiving and receipting for cash as when dealing with the VCS food service cashier for meals received. In lieu of the petty case fund from the VCS, imprest funds may be advanced by the agent cashier to the Medical Administration Service employee designated by the Director for this purpose. In either instance, the provisions of subparagraph c above apply.

**2.61 MEALS FOR OUTPATIENTS AND VOLUNTEERS WHEN VA DINING ROOM AND VCS FACILITIES ARE UNAVAILABLE**

When neither Dietetic Service dining room facilities nor VCS Food Service activities are available (nonexistent, closed, etc.), eligible outpatients and volunteers may be issued VA Form 60-3266a, Request for Meal or Lodging, for use in commercial eating establishments. See M-2, Part XVII, paragraph 4.01 and MP-1, part II, chapter 3, paragraph 1e for volunteers and MP-1, part II, chapter 3, paragraph 4e for outpatients.

**GENERAL POLICY COVERING THE FURNISHING OF QUARTERS AND SUBSISTENCE TO VA  
EMPLOYEES**

**2A.01 DEFINITIONS**

- a. Quarters includes all facilities owned or leased by the VA which are designated as housekeeping or non-housekeeping quarters.
- b. Hospital also includes VA domiciliaries as well as any VA facility which provides hospital care.
- c. Authorized Representative is the Director of the VA facility.
- d. Complete Aggregate Cost of Meals includes the cost of raw food, preparation, serving, transportation, wastage, spoilage, maintenance of dining room and kitchen electricity, fuel used in heating and cooking, water, and depreciation on kitchen and dining room equipment.

**2A.02 ASSIGNMENT AND OCCUPANCY OF QUARTERS**

- a. No employee shall be required to occupy quarters unless suitable quarters are available and the Administrator determines that necessary service cannot be rendered or property adequately protected otherwise. However, every effort will be made to permit an employee to live off the facility grounds if he/she can reasonably do so and at the same time be available to meet emergency situations. An employee who maintains a residence in the vicinity of the facility will not be required, as a general policy, to accept assignment in non-housekeeping quarters.
- b. No refund or credit will be allowed for quarters not occupied during periods of leave when the employee returns to the same facility at the expiration of such leave, except that employees on extended leave for sickness or education may be relieved of charges for quarters if the quarters are vacated and available for reassignment.

**2A.03 SUBSISTENCE**

- a. As a general rule, where VCS commercial eating establishments, etc., are available, employees will not be permitted to eat in VA dining rooms unless the Director authorizes them to do so.
- b. Employees occupying non-housekeeping quarters may contract to receive meals, either full or partial subsistence, with the approval of the Director or his/her designee. Employees occupying housekeeping quarters will not be permitted to eat in VA dining room facilities. Where circumstances fully justify a deviation from this policy, the Director may authorize these employees to contract for full or partial subsistence subject to the availability of adequate VA dining room facilities.
- c. Employees living off the facility grounds will not be permitted to eat in VA dining room facilities when other resources are available; when such other resources are not available and adequate VA dining room facilities are available, these employees may be permitted to contract for one or two meals a day, 5 days per week.
- d. When employees are furnished meals on a payroll deduction basis, the annual rate for full subsistence (three meals a day, 7 days a week) will be established on the basis of the complete aggregate cost of the meals furnished employees for 11 months. A proportionate charge will be made when employees take less than full subsistence on a payroll deduction basis. No refund or credit for meals not taken during periods of annual or sick leave will be allowed except when an employee is on sick leave for more than 10 consecutive working days. In this case, the credit will start on the 11th day. Annual leave taken in lieu of sick will be considered sick leave. Failure of an employee to take the meals on 1 day will not be an entitlement to extra meals on any other day. No deduction for subsistence will be made from lump-sum payments for accumulated annual leave.
- e. When employees are furnished meals on a cash basis, the charge for each meal will be established on the basis of the complete aggregate cost of the meals furnished the employee.

**2A.04 LAUNDRY SERVICES**

VA laundry services will not be provided to employees for their personally owned items.

June 20, 1984

M-1, Part I  
Chapter 2  
Change 2  
APPENDIX 2B

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503  
March 28, 1984

CIRCULAR No. A-45  
Revised

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Policy Governing Charges for Rental Quarters and Related Facilities

1. **Purpose.** This Circular sets forth policies and administrative guidance to be used by executive agencies in establishing and administering rental rates and other charges for Government-furnished or leased rental quarters and related facilities.
2. **Rescissions.** This rescinds OMB Circular No. A-45, dated October 31, 1964, as amended.
3. **Authority.** This Circular is issued by virtue of the authority vested in the President by 5 U.S.C. 5911(f), and delegated to the Director of the Office of Management and Budget by Section 9 of Executive Order 11609 of July 22, 1971.
4. **Coverage.** The provisions of this Circular apply to all Government rental quarters located within the fifty States, the District of Columbia, and the territories and possessions of the United States.
5. **Policy.** It is the policy of the Federal Government that:
  - a. Rental rates and charges for Government quarters and other facilities will be based upon their "... reasonable value ... to the employee ... in the circumstances under which the quarters and facilities are provided, occupied or made available" (5 USC 5911). As intended by the Congress, reasonable value to the employee or other occupant is determined by the rule of equivalence; namely, that charges for rent and related facilities should be set at levels equal to those prevailing for comparable private housing located in the same area, when practicable; and
  - b. Federal employees whose pay and allowances are fixed by statute or regulation may not receive additional pay and allowances for any service or duty unless specifically authorized by law (5 USC 5536). Consequently, rents and other charges may not be set so as to provide a housing subsidy, serve as an inducement in the recruitment or retention of employees, or encourage occupancy of existing Government housing.

When properly determined in accordance with the provisions of this Circular, rental rates will be fair to both the Government and the employee (or other authorized occupant), be set so as to maintain fairness between the employee in Government quarters and the employee who lives in private-sector leased housing, and not serve as an obstacle in recruiting or retaining employees. Such rental rates, moreover, should reflect a consistent local pattern for all Federal quarters in a given location.

6. **Definitions.**

- a. **Base rental rate.** The base rental rate is the rental value of the quarters, established in accordance with the provisions of this Circular, before applying any administrative adjustments or charges for related facilities.
- b. **Comparable housing.** Comparable housing is housing in the private sector which is generally equivalent in size to the rental quarters, with the same number of bedrooms, and with generally equivalent amenities and related facilities. Such housing is housing available on a landlord-tenant basis, with rental rates reflecting the fair market value of the accommodations. This is distinguished from housing rented on an "employer-employee" basis or between friends and relations, for which other considerations may have influenced the rental rates. In addition, such housing as other Government-furnished housing (Federal, State or local) and housing provided by churches or religious societies are excluded from this definition of private housing.

2B-1

c. **Established community.** An established community is ordinarily the nearest population center (Metropolitan Statistical Area or an incorporated or unincorporated city or town) having a year-round population of 1,500 or more (5,000 or more in Alaska), provided that it has minimum essential medical facilities (i.e., at least one physician and one dentist) available to occupants of Government quarters. Population determinations will be based upon the most recently published decennial census of the United States.

d. **Reasonable value.** Reasonable value for rental quarters is to be measured by the test of equivalence (i.e., what the employee would pay for comparable housing in the open market). Rental rates, including charges for related facilities when appropriate, will be based upon prevailing rates for comparable private housing located in the same general area after taking into account those factors which reduce or increase the value of the housing to the tenant.

e. **Related facilities.** Related facilities are equipment, supplies and services made available in connection with the occupancy of quarters including, but not limited to, household furniture and equipment, garage space, utilities, subsistence, and trash and laundry services.

f. **Rental quarters.** Except as specifically excluded herein or by statute, the term "rental quarters," includes all furnished and unfurnished quarters supplied under specific Government authority to Government employees, contractors, contractor employees, and all other persons to whom housing is provided as an incidental service in support of Government programs. It includes, but is not limited to, Government-owned or leased single family dwellings, apartments, bunkhouses, dormitories, trailer pads, cabins, guard stations and lookouts, mobile homes, house trailers, permanent and semi-permanent tents, and housekeeping as well as non-housekeeping units. The terms excludes "public quarters" designated for occupancy by members of the uniformed services with loss of allowances, but it includes quarters occupied by such personnel on a rental basis under 37 U.S.C. 403(e), 42 U.S.C. 1594a(f) and 1594b, and other authorities.

## 7. Procedures.

a. **Charges for quarters.** The determination of reasonable value of Government-furnished quarters will be based upon an impartial study of comparable private rental housing. There are two methods which may be employed to determine the base rental rate. The first, an appraisal, involves direct comparison with individual private rental housing units. The second, the regional survey, creates a series of economic models based upon a survey of comparable private rental properties throughout the region. While both methods are accurate, agencies are encouraged to utilize the survey method, whenever possible, due to the costs and administrative burdens associated with conducting individual appraisals. Regardless of the method used, results of surveys and appraisals will be reviewed by the agency prior to implementation to assure that they are fair and reasonable, and that they were developed in accordance with the provisions of the Circular. Both methods are subject to the conditions and limitations set forth below.

### (1) Appraisals

(a) **Urban and suburban locations.** If Government quarters are located in or within five miles of an established community, in an urban or suburban location, the base rental rate may be determined by either a staff or contract appraiser, applying recognized real estate valuation principles.

None of the administrative adjustments provided in paragraph 7c will be made for isolation, site amenities, space devoted to official use, or excessive heating or cooling costs when an appraisal is made in an urban or suburban location. These factors, if appropriate, will already have been considered by the appraiser in the appraisal process.

(b) **Rural areas.** When the appraisal method is used to determine the reasonable value of quarters which are not located on or within five miles of an established community, it will be subject to the following limitation: To ensure a uniform approach to valuation when conducting an appraisal in such areas, the staff or contract appraiser will be limited to comparing the Government-furnished quarters with housing in the nearest established community. If there is no adequate rental market in the nearest established community which is not unduly affected by severe economic conditions, the appraiser may select comparable rental units from the next closest established community having a rental market. Such comparison will be limited to adjustments for the physical differences in the housing. The appraiser in such instances will not make adjustments for isolation or those site amenities listed in paragraph 7c(2). These adjustments will be made administratively in the same manner as authorized for regional surveys.

(2) **Regional surveys.** Regional surveys may be used in all locations where Government quarters are located. If the regional survey method is used, the base rental rates will be set by means of a series of economic models that utilizes typical rental rates for comparable private rental housing in the general area in which the Government quarters are located. (The actual analysis of rental data for the establishment of base rental rates may be accomplished using appropriate statistical techniques, such as step-wise multiple regression.)

To avoid duplication and inconsistent rates, all agencies with quarters in a given location should coordinate their survey plans and conduct a single survey applicable to all. The area selected for survey should be large enough to permit an adequate sampling of comparable rental properties in several established communities and may encompass one or more States. Ideally, the survey would establish the rental rates for a large number of Government quarters, thereby providing an economy to the Government. The methods of analysis must be capable of recognizing both the physical characteristics and the differences in economic conditions, and reflecting such differences in the base rental rates. Private rental housing samples reflecting extremely high or low rental rates should be excluded from the data base subjected to final analysis. In those communities where the rental rates are extremely high or low, the rental housing market should be reviewed periodically between surveys to determine whether changes in the private rental market warrant revision of the base rental rates for the quarters located near those communities. Appropriate adjustments may be made to the base rental rates established for quarters in accordance with the provisions of section 7c.

**b. Charges for related facilities.**

(1) **Utilities.** It is Government policy to minimize energy consumption. Consumption has been found to decrease when occupants of Government-furnished quarters are required to pay for the actual cost of utilities used (such as electricity, oil, natural gas, propane, telephone, cable television, water and sewer). Utilities should be furnished by a private company and billed directly to the occupant, whenever possible.

When Government-furnished utilities are provided, they should be metered or measured (e.g., a ton of coal), where practicable. The rate for utilities furnished by the Government will be the same as the residential rate for these utilities in the established community or survey area used in determining the base rental rate. The consumed amount of Government-furnished utilities that are individually metered or measured will be determined by actual readings.

When Government-furnished utilities are not individually metered or measured, consumption will be determined on the basis of an analysis of the average amounts of utilities used in comparable private sector housing in the established community or survey area. (Such estimates are usually available from local utility companies.) Normally, utility charges will be clearly shown and separated from rent charges. Utility charges may be combined, however, in one charge for non-housekeeping rooms.

(2) **Furnishings.** If there is an inadequate market of comparably furnished housing for purposes of comparison with furnished quarters, the rents on otherwise comparable unfurnished private units may be used as the base and adjusted by a reasonable charge for furnishings (i.e., household furniture and equipment). This adjustment should be based on actual replacement costs allocated over the useful life of the furnishings.

(3) **Other services.** Charges for other services provided by the Government including, but not limited to, laundry, trash and garbage removal, lawn care and snow removal will be based upon prevailing rates for such services in the established community or survey area.

(c) **Administrative adjustments.** Application of the preceding guidelines might result in some instances in rental rates that are either higher or lower than "the reasonable value of the quarters." In such instances, adjustments in the form of additions to, or deductions from, the base rental rate are appropriate in the specific situations described below. The total amount deducted for all reasons must not be excessive, resulting in a rental rate to the occupant that is less than the reasonable value of the quarters, since this would constitute a supplement of salary in contravention of law. The rental rate, after all adjustments and the addition of charges for furnishings, must not be less than 50 percent of the base rental rate, unless an adjustment for isolation has been made. In such instances, the rental rate may be set at not less than 40 percent of the base rental rate.

(1) **Isolated locations.** In some cases, the Government supplies quarters in locations where minimal community services are available but only at some distance from the quarters. In addition, travel conditions or mode of transportation

may serve to further isolate some employees from minimal community services. In such situations, the head of an agency shall grant a reasonable adjustment to ameliorate the direct economic effects of the isolation, utilizing the procedure described below and in Appendix A.

The nearest established community will be used as the community for calculating the deduction, even though that community may not serve as the location of the comparable private housing used in establishing the base rental rates. The mileage used in computing the adjustment will be the shortest route usually traveled from the rental quarters to the nearest established community. If that route is closed seasonally, a weighted average adjustment will be used for the entire year, based upon the number of months each route would ordinarily be used.

The adjustment is designed to recognize different categories of highways and modes of transportation. Because of the range of possible travel conditions and modes of transportation, point values have been assigned to each category of transportation. These point values represent differences in time, cost, or both associated with each mile of each category of transportation from the quarters to the nearest established community.

The point values are multiplied by the number of one-way miles from the quarters to the nearest established community, to produce one-way points. When travel from the quarters to the nearest established community involves more than one category of transportation, the one-way miles are distributed accordingly. The one-way points in each category are then added to produce total one-way points, which must exceed 30, or there is no adjustment. Finally, the total one-way points for all modes of transport are multiplied by an Isolation Adjustment Factor (based on the automobile mileage allowance determined by the General Services Administration) to produce the monthly dollar adjustment.

**(2) Site amenities.** Living conditions at the locations of some Government housing are not always the same as those found in or immediately adjacent to the survey or appraisal communities. In such communities, the amenities listed below are generally, but not always, present and their contributory value included in the base rent. The lack of availability of any of these items at the quarters location represents a generally less desirable condition which should be reflected as a negative percentage adjustment to the base rental rate, as shown below. Similarly, an upwards percentage adjustment should be made in the base rental rate for quarters possessing site amenities which are not present in the survey or appraisal communities used to establish the base rent.

(a) **Reliability and adequacy of water supply.** The system should provide potable water (free of significant discoloration or odor) at adequate pressure at usual outlets. (+ or - 3 percent)

(b) **Reliability and adequacy of electric service.** Service must equal or exceed a 100 ampere power system capable of providing 24-hour service under normal conditions. (Occasional temporary outages are considered normal.) If an adequate backup generator is available, the amenity will be rated as present regardless of the reliability of the primary power source. (+ or - 3 percent)

(c) **Reliability and adequacy of fuel for heating, cooling and cooking.** There should be sufficient fuel storage capacity to meet prevailing weather conditions and cooking needs. Where electricity is used to heat, cool or cook, this adjustment is to be made only when the deduction in (b), above, applies. (+ or - 3 percent)

(d) **Reliability and adequacy of police protection.** Law enforcement personnel, including Government employees with law enforcement authority, should be available on a 24-hour basis. Availability is defined as the ability to respond to emergencies as quickly as if located in, or adjacent to, an established community. (+ or - 3 percent)

(e) **Reliability and adequacy of fire protection.** Fire insurance should be available with the premium charge based upon a rating equal to the rating available to comparable housing located in or adjacent to the nearest established community, or adequate equipment and trained personnel available on a 24-hour basis to meet foreseeable emergencies. (+ or - 3 percent)

(f) **Reliability and adequacy of sanitation service.** An adequately functioning sewage disposal system and a solid waste disposal system, whether community or individually provided, should be available. Individual sewage disposal systems (septic, cesspool or other) will be considered adequate even though they may require periodic maintenance, as long as they are usable during periods of occupancy. (+ or - 3 percent)

(g) **Reliability and adequacy of telephone service.** 24-hour accessibility to commercial facilities with private lines should be available. (+ or - 1 percent) The service interruption level should not substantially exceed that normally occurring in the nearest established community. (+ or - 1 percent)

(h) **Noise and odors.** There should be an absence of significant, frequent disturbing noises or offensive odors. (+ or - 3 percent)

(i) **Miscellaneous improvements.** There should be one or more of the following improvements: paved roads, sidewalks, or street lights. (No more than a + or - 1 percent adjustment can be made for this category)

(3) **Impositions on privacy or living space.** Administrative adjustments in the base rental rate are allowed if the living space or privacy of the occupant is restricted. In each such case, the agency will make a special determination of the specific conditions making certain that the conditions have not already been reflected in establishing the base rental rate.

(a) **Loss of Privacy.** If occupants are subject to loss of privacy during non-duty hours by virtue of repeated public visits (i.e., occurring several times daily) or inhibited from enjoying the full range of activities normally associated with rental occupancies due to restrictions imposed by Federal agencies, a deduction not to exceed 10 percent of the base rental rate is allowable. Proportional deductions will be made in situations of less frequency or seriousness in their impact upon privacy or usage or to reflect seasonal variations.

(b) **Space devoted to official use.** When the head of the agency determines that the use of a portion of the quarters is required for official business (i.e., office, storage, etc.), loss of living space should be reflected by an adjustment to the base rental rate, based on the square footage occupied.

(4) **Transient and temporary use of quarters for other than temporary duty assignments.**

(a) **Transient quarters.** Charges for quarters occupied on a transient basis, that is, normally for 90 days or less, will be assessed at rates equivalent to private transient housing of comparable type and quality. These rates may be set on a nightly or weekly basis, or both. If comparable private transient housing does not exist in the area, the rental may be established by determining the reasonable monthly rental rate for the quarters through application of the other provisions of this Circular, and adding to the monthly rate an additional charge of at least 20 percent to cover necessary additional administrative and service charges. The total will be divided by 30 days for the nightly rate or 4-1/3 weeks for the weekly rate.

(b) **Temporary quarters.** This adjustment will apply when an employee occupies quarters for the convenience of the Government on a temporary basis (normally more than 60 days) and does not receive per diem. Under these circumstances, if the employee maintains two households, the head of the agency is authorized to adjust the rental rate on the quarters unit so that the combined rent or rent and mortgage payment paid during the period of occupancy is not excessively burdensome. The adjustment may not exceed 20 percent of the base rental rate of the quarters unit unless the head of the agency determines that the circumstances fully justify a greater deduction.

(5) **Quarters of excessive or inadequate size or quality.** If there is a lack of housing of appropriate size or quality, an employee may be provided Government quarters of a size or quality either excessive or inadequate to that which the prudent employee would have selected in the private community. In these exceptional circumstances, the base rental rate will be reduced by up to 10 percent in direct proportion to the degree of the excess or deficiency. This reduction will not continue beyond one month after the availability of either appropriate rental quarters or private housing, except when the head of the agency determines that the reassignment of quarters will not serve to benefit the Government. The determination of the availability of alternate housing will comply with the rules of availability of housing for rent, for sale, or recently rented or sold and those concerning commuting distances contained in OMB Circular No. A-18.

(6) **Excessive heating and cooling costs.** A deduction from the base rental rate is permissible if quarters require an unreasonable additional expense to the employee for heating or cooling because of poor design, the lack of all-weather construction or other related factors. The amount of the deduction will be determined as follows: If the rental quarters in question require expenses to the occupant in excess of 25 percent for the heating or cooling season over the average of

heating or cooling for comparable housing in the same area and climate zone as determined by a suitable survey or appraisal, the head of the agency may determine that the excessive costs (i.e., those in excess of 25 percent over the average) may be deducted from the annual rental rates.

(7) **Changes in administrative adjustments.** For specific quarter rental rates, agencies should implement new administrative adjustments to reflect changes in any of the factors contained in section 7c as soon as possible after learning of those changes, normally within 30 days.

d. **Cyclical and annual adjustments.** Charges for rental quarters and related facilities shall be adjusted periodically in accordance with the following:

(1) **Adjustments based on surveys or appraisals.** Base rental rates established for rental quarters shall be affirmed or adjusted by a survey or appraisal of the private rental market, as follows:

(a) At least every fifth year or when the base rental rate for the quarters has been increased by 40 percent through application of the rent series of the U.S. City Average-Regional Consumer Price Index (CPI Rent Series), whichever occurs first, or

(b) Any year when changes in the private rental market in the nearby established community indicate a need to adjust base rental rates on the basis of a survey or appraisal of the rental market.

(2) **Adjustments based on changes in the CPI.** Annual adjustments in the base rental rate shall be made by applying the percent change in the CPI Rent Series from the month and year that the last regional survey or reappraisal of the private rental market was conducted. The new rates shall be effective at the beginning of the first pay period which starts on or after February 1 of each year. Though effective in February, the adjustment shall be based on the preceding September CPI data to provide the required lead time.

(3) **Annual adjustments for isolation.** The Isolation Adjustment Factor (currently 1.6) will be recomputed by the individual agencies each October. The recomputation will reflect the Government mileage allowance for automobiles published by the General Services Administration as of the last day of September each year. The new isolation adjustment factor will be used to compute the monthly isolation adjustment applicable to rents being charged starting with the first full pay period in February of each year. This is done to coincide with the implementation of rental rates adjusted by the CPI Rent Series each year, as required in paragraph 7d(2) of this Circular.

(4) **Annual adjustments of utilities.** To ensure that rates for Government-furnished utilities keep pace with current costs, they shall be adjusted annually. The rate will be the average residential rate for the utility in the established community or survey area as of the last day of September. The new utility rate will be charged in the first full pay period in the following February to coincide with the CPI Rent Series adjustment to rental rates.

(5) **Periodic/cycle year adjustment.** The cycle year (and survey or appraisal month within the cycle year) occurs at different times for different employee quarters within a department or agency. Therefore, since annual CPI adjustments effective in February are based on the preceding September CPI data, cycle year adjustment for any particular quarters or facility shall be made as follows:

(a) When the private rental market survey or appraisal is made during the months of August through January, no CPI adjustment will be made on the upcoming February 1, but will be deferred until the start of the first pay period which begins after February 1 of the following year. Rental adjustments based on the survey or appraisal will be put into effect in the usual manner. Example: If the survey month is September 1984, no CPI adjustment will be made in February 1985, but will be deferred until February 1986. Such CPI adjustments will be based on the changes in the CPI from the actual date of the survey through September 1985.

(b) When the private rental market survey or appraisal is made during the months of February through July, no CPI adjustments will be made in February of that year, but will be deferred until the start of the first pay period which begins after February 1 of the following year. Rental adjustments based on the survey will be put into effect in the usual manner.

Example: If the survey month is March 1984, no CPI adjustment will be made in February 1984, but will be deferred until February 1, 1985. Such CPI adjustment will be based on the changes in the CPI from the actual date of the survey through September 1984.

(6) **Newly acquired quarters.** Rates for newly acquired quarters shall be the same as those prevailing for similar Government quarters in the area. If there are no established rates, an initial survey or appraisal to establish valid and realistic comparability with private rental facilities shall be made upon acceptance of newly acquired quarters, and the corresponding rental rates shall be made effective upon occupancy. The initial CPI adjustment in rental rates shall be made as follows:

(a) When the initial survey or appraisal of the private rental market is made during the months of February through July, the initial CPI adjustment will be made at the start of the first pay period which begins after the upcoming February 1.

(b) When the initial survey or appraisal of the private rental market is made during the months of August through January, the initial CPI adjustment will be made in accordance with the procedure set forth in subparagraph (5)(a) above.

(7) **Incremental adjustments.** If new appraisals, surveys or CPI adjustments result in substantial increases in rental rates (i.e., 50 percent or more above the current rental rate), such increases may be imposed incrementally over a period not to exceed one year, on the condition that they be applied in equal increments on at least a quarterly basis.

e. **Qualifications and extensions:** The principle of comparability with private rental practice may be modified under the conditions described below:

(1) **Extension of comparability.** For lack of available alternative quarters, employees must sometimes occupy space for use as quarters which is generally unsuitable for that purpose. Such space may be unsuitable, for example, because it was originally built for seasonal occupancy only, or because it was not originally built for use as quarters. In other instances, quarters may be suitable only for particular types of occupancy, such as rooming houses, bunkhouses, bachelor quarters, residence hotel-type structures, barracks-type structures, or guard stations and lookouts.

In all such cases, if no comparable rental data can be obtained or professional appraisals are not made, rental rates will be determined by the square footage occupied, at a rate equivalent to one-half the base rental rate per square foot charged for the nearest adequate rental quarters of the same or any other Federal agency. This rate will apply only to the shelter rental, with additions thereto for all other related facilities at rates comparable to those in the area. Rental and other charges will be based upon designed capacity and, when so determined, will remain in effect for each occupant without regard to fluctuations in the number of occupants from time to time either above or below designed capacity.

In buildings where space is assigned for occupancy of several persons or families, common-use space in the building will be distributed to all occupants in proportion to the space assigned for the sole occupancy of each, to determine the number of square feet chargeable to each. Common-use space includes, for example, washrooms, stairs, hallways, storage, lobby, and lounge areas.

(2) **Quarters for uniformed service Personnel.** Rental rates and other charges incident to the occupancy of quarters on a rental basis by members of the uniformed services will be established in accordance with the provisions of this Circular.

Those quarters which have been designated inadequate public quarters or substandard pursuant to law and regulations of the Surgeon General of the Public Health Service and the Secretaries of Defense and Transportation require special treatment in one respect. The total of the rental rate, plus charges for furniture and utilities (except telephone), will be adjusted, if required, so as not to exceed 75 percent of the member's basic allowance for quarters. The rental rate, as used in the preceding sentence, is the base rental rate after the additions or deductions required or authorized elsewhere in this Circular have been given effect, including that requirement contained in paragraph 7c, that the rental rate, after adjustments, will not be less than 50 percent of the base rental rate.

(3) **Instances of hardship.** In certain hardship cases where continued occupancy of public quarters by former uniformed service members and dependents or by dependents of deceased service members is permitted, an amount equivalent to the member's full basic allowance for quarters and other housing allowances (i.e., Variable Housing Allowance, etc.) may be charged for such periods of time as may be properly allowed in each particular case. Occupancy of quarters in such instances will normally not exceed 60 days.

Similarly, former Federal employees (or other occupants) and dependents or dependents of deceased Federal employees (or other occupants) may continue to occupy Federally-furnished quarters for a period normally not to exceed 60 days. Such occupants will continue to pay the established rental rate for those quarters.

(4) **Alternative requirements.** The provisions of this Circular will not apply in the following instances:

(a) When employees attend training programs at Federal or private facilities and the cost of housing is factored into the program cost to the agency or through other means, the valuation rules of this Circular need not be applied, so long as the per diem rate paid the employee is set to reflect the fact that the housing is provided at no cost to the employee. In other than training situations when employees are receiving per diem (or actual per diem expense rates) and occupying Government housing, the per diem paid the employees is set to reflect the fact that the housing is provided at no cost to the employee.

(b) When employees are receiving a remote worksite commuting allowance, in accordance with 5 USC 5942, and housing is provided at no cost to the employees, the allowance paid will consist of factors other than the housing cost portion of the allowance.

(5) **Exceptions.** Efforts have been made in the preparation of this Circular to allow for unusual circumstances that may exist with respect to rental quarters. Exceptions to the requirements included in this Circular will be prescribed, therefore, only upon written request in those very unusual circumstances when it is demonstrated to the Office of Management and Budget that the application of the provisions of this Circular will not result in a rental rate equivalent to the reasonable value of the quarters to the occupant. If an exception is granted by the Director of the Office of Management and Budget, the agency concerned will be notified in writing.

8. **Agency regulations.** The following guidelines should be observed in developing agency regulations and procedures implementing this Circular:

a. To avoid potential conflicts of interest, agencies will not assign employee occupants of quarters or their subordinates to perform appraisals or serve as members of regional survey teams used to recommend rents and other charges.

b. Where several different Federal agencies provide rental quarters in the same area, those agencies will take necessary steps to ensure a consistent local pattern in rents and utility rates. In particular, such agencies are urged to establish interagency committees to coordinate and oversee the establishment of consistent and uniform rental rates.

c. A full record of the findings and recommendations of the appraiser or survey team, as well as documentation to justify administrative adjustments, will be kept by the agency concerned.

d. Sufficient information will be maintained centrally by the agency to allow agency management to be informed of, and to monitor, the status of administration of the requirements of this Circular.

e. A system or procedure for reconsideration of rental determinations and other charges will be provided.

f. Employees on leave will continue to be charged for quarters and related facilities, unless the quarters are vacated and made available for reassignment.

g. In keeping with the principle of comparability, the agencies assume the customary responsibilities of the landlord; those who occupy rental quarters assume the responsibilities of tenants.

June 20, 1984

**M-1, Part I  
Chapter 2  
Change 2  
APPENDIX 2B**

h. Agency regulations will specify the conditions under which the agency head will require occupancy of Government-furnished quarters, in accordance with the limitations cited in 5 USC 5911(e).

i. Agency heads will ensure that Government-furnished quarters are safe and sanitary. Although adjustments to the basic rental rate are permitted for such circumstances as excessive heating and cooling costs, poor condition, and lack of potable water, such conditions should not be permitted to continue any longer than absolutely necessary.

9. **Policy review.** The policies and procedures contained in this Circular shall be reviewed within three years of the date of issuance.

10. **Inquiries.** For information concerning this Circular, contact the Office of Management and Budget, telephone 202/395-7207.

David A. Stockman  
Director

APPENDIX A

Isolation Adjustment Computation

The monthly adjustment for isolation, as described in paragraph 7c(1), is computed, as follows:

- **Step 1.** Determine the one-way distance in miles (from the quarters to the nearest established community) for each affected category of transportation listed in Figure 1. Enter mileage(s) in the appropriate block(s) under Column B.
- **Step 2.** Multiply mileage figures entered in Column B by point values listed in Column A for each affected category of transportation to produce one-way points for each category. Add 29 points to the category 4 subtotal and 27 points to the category 5 subtotal to reflect relative differences in cost or time by use of these modes of travel.
- **Step 3.** Add all categories of one-way points in Column C to produce total one-way points. (The total must exceed 30 points or there is no adjustment for isolation.)

Figure I

Category of Travel	Column A Point Value		Column B One-Way Miles		Column C One-Way Points
(1) Paved road or rail	1.0	x	___	=	___
(2) Unpaved but improved road (or hazardous conditions at least 4 months per year)	1.5	x	___	=	___
(3) Unimproved road (or hazardous conditions at least 6 months per year)	2.0	x	___	=	___
(4) Water, snowmobile, pack animal, foot or other special purpose conveyance	2.5	x	___	=	___ + 29 = ___
(5) Air	4.0	x	___	=	___ + 27 = ___
			Total One-Way Points =		___

◦ **Step 4.** Calculate the Isolation Adjustment Factor (IAF) using the following formula: 2 (to reflect round trip points) times 4 (to reflect number of trips per month) times \$x.xxx (GSA's current automobile mileage allowance). For example, the GSA mileage allowance, as of the date of this Circular, is \$0.205, resulting in an IAF of 1.6 (rounded to the nearest tenth).

◦ **Step 5.** Multiply total one-way points (sum of Column C) by the Isolation Adjustment Factor to produce the monthly adjustment for isolation (and round to the nearest whole dollar).

**July 9, 1991**

1. Transmitted is a change to Department of Veterans Affairs, Veterans Health Administration Manual M-1, "Operations," Part I, "Medical Administration Activities, "Chapter 2, "Quarters and Subsistence."
2. The purpose of this change is to insert a new paragraph 2.13 which:

- a. Incorporates policy on furnishing free quarters to VA medical and dental residents whose index hospital counterparts receive free quarters as partial compensation.

- b. States policy on furnishing free quarters to VA residents who serve short rotations (less than 6 months) at a VA medical facility and establish the need for a second residence because the substantial distance to the VA medical center makes commuting impractical while the brevity of the assignment rules out a permanent change of residence.

### **3. Filing Instructions**

#### **Remove pages**

2-i through 2-iv  
2-3 through 2-4

#### **Insert pages**

2-i through 2-iii  
2-3 through 2-4a attached.

Page 2-5: Fourth line, change 2.18-2.20 (Reserved.) to 2.19-2.20 (Reserved.)

JAMES W. HOLSINGER, JR., M.D.  
Chief Medical Director

Distribution: **RPC 1127**  
FD

Printing Dated: 7/91

June 3,1992

1. Transmitted is a change to Department of Veterans Affairs, Veterans Health Administration Manual M-1, "Operations," Part I, "Medical Administration Activities, "Chapter 2, "Quarters and Subsistence."

2. Principal changes are:

**Paragraph 2.36, b,c & d:** The development and implementation of subsistence rates to be decentralized to individual field facilities.

### 3. Filing Instructions

#### Remove pages

2-iii  
2- 8a through 2-8b

#### Insert pages

2-iii  
2-8a through 2-8b

4. **RESCISSION:** VHA Circular 10-90-083 and Supplement No. 1.

JAMES W. HOLSINGER, JR., M.D.  
Chief Medical Director

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