



HUMAN RESOURCES OFFICE

“PROVIDING HR SERVICES THAT ENABLE THE FLEET”

Fact Sheet

LIVING QUARTERS ALLOWANCE RECONCILIATION

General: A Reconciliation is required for all Living Quarters Allowance (LQA) recipients 12 months upon moving into a new residence. Consistent with the Department of Defense (DoD) memorandum dated 20 May 2000, reconciliation claims are required and are to **be submitted within 45 days** after the 12 month anniversary date of initial occupancy of quarters (extensions may be granted for circumstances beyond the employee's control); when an employee moves into different quarters; when requested by the employee; or when determined by management. No further reconciliation will normally be needed for the same residence. However, an employee may request a voluntary reconciliation if he/she believe that their expenses went up significantly.

There is no requirement for a final reconciliation when the employee leaves the foreign post or to do reconciliations on an annual basis after the first year as described above. Each notification for reconciliation will be initiated by HRO and the employee will be informed of their responsibility to provide receipts to assist in determining what the employee spend for living quarters. Information will be forwarded to Defense Finance and Accounting Office (DFAS) via the interface between the Defense Civilian Personnel Data System (DCPDS) and the Defense Civilian Payroll System (DCPS).

Any changes that may affect the allowance grant (such as increase/decrease in rent/utilities, change in employee status, change in family member status) must be promptly reported to avoid under/overpayment of allowances. Upon notification the HRO will adjust the LQA grant as appropriate. It is of great importance to maintain records with receipts of expenses.

Required Documents: The following documents are required in order to substantiate costs claimed and to facilitate an accurate Reconciliation.

- a. SF 1190
- b. Summary of Living Expenses
- c. Copies of year end bills and receipts for each utility claimed.
- d. If payment for one or more utilities is paid to the landlord on a monthly basis with the rent, a document provided by the landlord indicating payment is also required.

Based on estimated amounts versus actual expenses, DFAS will adjust the finance records accordingly. When actual utility expenses are less than the estimated expenses, DFAS will process a Letter of Indebtedness to the employee with options for repayment and processing waiver requests. If an underpayment occurred, employee will be reimbursed the amount due. Payment will be with the regular pay check.

(Current as of March 2010)