

**Functional Series [200](#)  
Programming Policy**

**INTERIM UPDATE 05-06**

**SUBJECT:** Guidance on the payment of salaries and benefits for persons hired under program-funded Foreign Service Limited Authority

**NEW MATERIAL:** Attached is the Guidance on use of the Foreign Service Limited (FSL) Authority which provides background, policy, and step by step instructions on the payment of salary and benefits for FSLs from program accounts. This authority, established in the FY2004 appropriations act and modified for FY 2005, allows the Agency to hire program funded direct hires for deployment in Washington and overseas on a not-to-exceed five years limited appointment.

**EFFECTIVE DATE:** 03/21/2005

**ATTACHMENT: Guidance on use of the Foreign Service Limited (FSL) Authority**

POLICY

USAID/General Notice  
PPC/RA/SBI  
03/28/2005

Subject: Guidance on the payment of salaries and benefits for persons hired under program-funded Foreign Service Limited Authority

Attached is the Guidance on use of the Foreign Service Limited (FSL) Authority which provides background, policy, and step by step instructions on the payment of salary and benefits for FSLs from program accounts. This authority, established in the FY2004 appropriations act and modified for FY 2005, allows the Agency to hire program funded direct hires for deployment in Washington and overseas on a not-to-exceed five years limited appointment. The authority to hire will expire on September 30, 2007.

Implementation of this guidance should begin immediately for FY 2005. Per this guidance, by April 15, 2005, PPC/RA/SBI will provide affected Bureaus/Missions with Memorandum of Agreement (MOAs) for each FSL on board as of March 31, 2005. Bureau/Mission should finalize MOAs and post obligations/sub-obligations by May 2, 2005. For FSLs hired and on board after March 31, MOAs will be issued at the beginning of their employment.

Bureaus/Missions will be responsible for the payment of support costs for program-funded FSLs locally within overall limitations provided by PPC/RA/SBI. Affected operating units must establish controls to ensure limitations are not exceeded.

Point of Contact: Any questions concerning this Notice may be directed to Chivon Anderson, PPC/RA/SBI, (202) 712-5829, Chivon@usaid.gov.

Notice 0381

<b>File Name</b>	<b>Notice Date</b>	<b>Effective Date</b>	<b>Editorial Revision Date</b>	<b>ADS CD No.</b>	<b>Remarks</b>
lu2_0506_032905_cd39	03/28/2005	03/21/2005		CD 39	This IU will remain valid for one year.

lu2\_0506\_032905\_w033005\_cd39

## **GUIDANCE FOR THE PAYMENT OF SALARY AND BENEFITS FOR PROGRAM-FUNDED FSLs**

### **BACKGROUND**

Annual appropriations legislation enacted in Fiscal Year 2004 and amended in Fiscal Year 2005 provides the Agency with the authority to hire program-funded Foreign Service Limited (FSL) appointment direct hires. The provisions in section 525 of Public Law 108-199 and section 588 of Public Law 108-447 specify that:

Funds appropriated in Fiscal Year 2004 and subsequent appropriations Acts to carry out the provisions of Part I of the Foreign Assistance Act of 1961, including funds appropriated under the heading “Assistance for Eastern Europe and the Baltic States,” may be made available to employ individuals overseas on a limited appointment. In Fiscal Years 2004, 2005, and 2006 the authority may be used to hire not more than 85 individuals in each such Fiscal Year.

In Fiscal Year 2005, the FSL authority was amended to expand the total number of FSL positions to 175 and to allow 75 of those to be employed in the United States. In addition, the authority capped program funding under this authority at \$37,500,000 of funds made available in the Fiscal Year 2005 Act. The authority also requires that USAID charge costs against the program account to which the employee’s responsibilities primarily relate. This limitation is likely to change in subsequent Fiscal Years. The authority to hire now expires on September 30, 2007.

### **POLICY**

The authority contained in sections 525 and 588 provides the Agency with the flexibility to use program funds to hire limited-appointment direct hires. As a matter of policy, USAID will apply this authority in the following manner.

1. The Agency can use this authority to employ individuals overseas and in Washington on limited appointments that are funded by the following program accounts:
  - Child Survival and Health Programs Fund (CSH)
  - Development Assistance (DA)
  - International Disaster and Famine Assistance (IDFA)
  - Transition Initiatives (TI)
  - Economic Support Funds (ESF)
  - Assistance for the Independent States of the former Soviet Union (FSA)
  - Assistance for Eastern Europe and the Baltic States (AEEB)
  - Andean Counterdrug Initiative (ACI)

2. Bureaus/Missions will identify the appropriate account to cover support costs as well as salaries and benefits for each FSL and ensure that funds are obligated against the correct SO.
3. PPC/RA/SBI will enter into a memorandum of agreement (MOA) to cover salaries and benefits with each Bureau/Mission that receives an FSL. Bureaus/Missions will obligate funds to cover FSL salaries and benefits based on the amount cited in the MOA using a miscellaneous obligation document (MOD) or other appropriate mechanism. M/FM/A will coordinate the payment process centrally as with all USDHs. Funds will not be returned to PPC/RA.
4. Outside of the scope of the MOA, Bureaus/Missions will pay support costs locally. In order to ensure that the Agency does not exceed the legal limitation established for total costs associated with program-funded FSLs, PPC/RA/SBI will set a Bureau limit for FSL support costs with the flexibility of an increase in that limit upon request, if additional availability exists within the legal limitation.
5. Bureaus/Missions may use the FSL authority for split-funded positions. (i.e. EXO, contract officers, etc.). The Bureau/Mission will determine the program account(s) used to fund an FSL.
6. Bureaus/Missions will not receive additional funds, either operating expense or program funds, to support program-funded FSLs.
7. Only funds appropriated in Fiscal Years 2004 through 2007 may be used to implement this authority.

## **IMPLEMENTATION**

1. Once an FSL is hired, HR will submit the employee's name, bureau and country assignment to PPC/RA/SBI.
2. PPC/RA/SBI will estimate annual salaries and benefits and issue a standard MOA to each Bureau/Mission that will include the Bureau/Mission, estimated annual costs for salary and benefits, and the FSL's name. PPC/RA/SBI will issue MOAs during the first quarter of the Fiscal Year for all FSLs hired in the previous Fiscal Year and will continue to issue MOAs throughout the current Fiscal Year for new hires at the beginning of their employment. Bureaus/Missions will pay support costs locally, using the appropriate program account, just as support cost is currently paid for program funded PSCs.
3. Based on the MOA, the Bureau/Mission will establish a separate obligation, or sub-obligation if under a SOAG, for each FSL. The Bureau/Mission representative must sign the MOA, and provide the obligation/sub-obligation number and fund cite once it is posted in the accounting system (MACS/Phoenix). The representative will keep

a copy for his/her file, scan a signed copy, and electronically submit the MOA to M/FM/A, Don Douglass and PPC/RA/SBI, Chivon Anderson. This process should be accomplished as soon as possible.

4. Once per year, about mid-March, M/FM/A will review all FSL estimated obligations for accuracy. M/FM/A will notify PPC/RA/SBI if the amount obligated by a Bureau/Mission requires adjustment and PPC/RA/SBI will work with the Bureau/Mission to amend the MOA accordingly.
5. On a quarterly basis, M/FM/A will prepare a Schedule of Charges for all FSL employees. Also at this time, M/FM/A will submit to FM/CMP for processing expenditures against each MOA as appropriate. The fourth quarter Schedule of Charges will include an estimate for accrued payroll expenses.