



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
MANPOWER AND RESERVE AFFAIRS
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WASHINGTON, DC 20310-0111

SAMR

AUG 16 2017

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Recertification of and Supporting Documentation Required for the Basic Allowance for Housing (BAH) Entitlement for Regular Army and Reserve Component Soldiers

1. References:

- a. Memorandum, Secretary of the Army, subject: Key Supporting Documents Required for Army Military Pay Audit Readiness, 14 June 2013.
- b. Army Regulation (AR) 600-8-104, (Army Military Human Resource Records Management), 7 April 2014.
- c. Department of the Army (DA) Pamphlet (PAM) 600-8-104, (Army Military Human Resource Record Management), 12 February 2015.
- d. AR 638-8, (Army Casualty Program), 23 June 15.
- e. Job Aid: Military Pay Key Supporting Document (KSD) Matrix, 3 March 2017.
- f. Fiscal Year 2015 Schedule of Budgetary Activity Audit (SBA) - Klynveld Peat Marwick Goerdeler (KPMG) Notice of Findings and Recommendations M-2015-26, 25 November 2015.
- g. Fiscal Year 2016 SBA - KPMG Notice of Findings and Recommendations M-2016-13, 4 November 2016
- h. U.S. Army Audit Agency Audit Report: A2015-0085-FMX, subject: Housing Allowances for Married Servicemembers, 31 August 2015.

2. We have completed two Army financial statement audits on the Fiscal Years 2015 and 2016 SBAs. The auditor's reports identified a number of issues across Army business processes, to include military payroll, which must be addressed in order for the Army to be ready for the audit of all its financial statements in Fiscal Year 2018.

3. One of the largest components of the Army's budget is military personnel funding. Given the requirement to produce supporting documentation to justify the payment of

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entitlements, the Secretary mandated the storage of KSDs in the interactive Personnel Electronic Records Management System (iPERMS). Though we have made progress in maintaining our entitlement KSDs, the recently completed audits have found we still need to improve, as indicated in references 1.f and 1.g. The most significant areas of concern are the capture and maintenance of KSDs for the BAH entitlement, particularly the DA Form 5960 (Authorization to Start, Stop, or Change Basic Allowance for Quarters (BAQ) and/or Variable Housing Allowance (VHA)) and the dependency documents required to support the allowance at a with-dependent or differential rate. We are implementing two initiatives to address these concerns.

4. The first initiative is to collect and upload into iPERMS missing dependency KSDs for all Soldiers receiving BAH with-dependent or BAH-differential (DIFF). Examples of dependency KSDs that support the BAH with-dependent or BAH-DIFF entitlements are the marriage license, birth certificate, divorce decree, child support agreement, etc. Soldiers who are missing the dependency KSDs will have 60 days to provide the required documents to their servicing human resource office (HRO) for upload into iPERMS. At the same time, the Soldier must recertify BAH by completing a DA Form 5960. For any Soldier missing the required dependency supporting documentation in iPERMS after the 60-day period, the Army will reduce the Soldier's BAH with-dependent or BAH-DIFF entitlement to BAH without-dependent until the key supporting documents are provided. The detailed actions required for the applicable organizations will be provided via separate correspondence by the Army G-1.

5. The second initiative stems from the results indicated in references 1.f and 1.g. as well as from a recommendation by the Army Audit Agency reported in their recent housing allowance audit in reference 1.h. Effective immediately, each Soldier will annually recertify their entitlement to BAH by completing a new DA Form 5960. The recertification will be accomplished in conjunction with the required DD Form 93 (Record of Emergency Data) annual recertification (see reference 1.d.). Soldiers will also recertify upon life changing events (e.g. marriage, divorce, birth of a child, other dependent changes). The DA Form 5960 will be signed by the Soldier and certified by the company level unit commander. Commanders may delegate, in writing, this certification to the first commissioned officer in the Soldier's chain of command. During the BAH recertification, the human resource specialist will check iPERMS to ensure there is a current permanent change of station order, current promotion order, and applicable dependent documents in the record. The recertified DA Form 5960 and any additional required supporting documentation will be uploaded to the Soldier's records in iPERMS by the Soldier's servicing HRO.

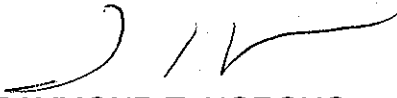
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6. Compliance with these directives does not preclude the continuance and/or addition of local procedures determined as necessary by commanders.

7. Updates to AR 600-8-104, Army Military Human Resource Records Management, and AR 37-104-4, Military Pay and Allowances Policy, are being made to reflect the change in paragraph 5 above.

8. My points of contact are Mr. JD Riley, Army G-1, at (703) 571-7117 or james.d.riley14.civ@mail.mil, and Mr. Christopher Upson, OASA (FM&C), at (703) 601-3992 or christopher.s.upson.civ@mail.mil.



RAYMOND T. HOROHO
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