

DEPARTMENT OF THE NAVY
Office of the Secretary
Washington, D.C. 20350-1000

CH-1, CH-2, ND Aug 11, 94
SECNAVINST 7220.38E
NMPC-12E
10 June 1986

SECNAV INSTRUCTION 7220.38E

From: Secretary of the Navy
To: All Ships and Stations

Subj: REMISSION OF INDEBTEDNESS OR WAIVER
OF THE GOVERNMENT'S CLAIM ARISING
FROM ERRONEOUS PAYMENTS MADE TO
OR ON BEHALF OF MEMBERS OF THE
NAVAL SERVICE

Ref: (a) Title 10 USC 6161 (NOTAL)
(b) Title 10 USC 2774 (NOTAL)

Encl: (1) Waiver/Remission Application
(NAVPERS-7220/7)
(2) Financial Statement (NAVPERS-7220/8)

1. **Purpose.** To delegate the authority of the Secretary of the Navy (SECNAV) to remit or cancel indebtedness of enlisted naval members or waive the claim of the Government arising from erroneous payments of pay and/or allowances paid to, or on behalf of, members and former members of the naval service to explain the application of the referenced statutes; and to provide information and instructions for the submission and handling of Waiver/Remission Application forms. This instruction is applicable to present or former members, and those individuals who receive pay and/or allowances in behalf of members of the Navy and Marine Corps.

2. **Cancellation.** SECNAVINST 7220.38D and Report Control Symbol BUPERS 7220.1.

3. **Summary of Changes.** This instruction contains changes to the request procedure and application form. Other changes include additional definitions, more information about references (a) and (b), and editorial changes to promote greater understanding.

4. **Definitions for Purposes of this Instruction**

a. Remission. The term "remission" identifies the authority of SECNAV, or a designee, to remit or cancel any part of an enlisted member's indebtedness to the Navy or Marine Corps, over which the Secretary has control, which remains unpaid before, or at the time of, the enlisted member's honorable discharge. Reference (a) pertains.

b. Waiver. The term "waiver" identifies the authority of SECNAV, a designee, or the Comptroller General of the United States, to waive the claim of the Government arising from the erroneous payment of pay and/or allowances paid to, or on behalf of, members and former members of the naval service. Reference (b) pertains.

c. Indebtedness. The term "indebtedness" includes any money due the Navy or Marine Corps from an enlisted member arising from any circumstance over which SECNAV has control. It includes, but is not limited to, pay and allowances, travel and per diem, charges for the excess weight of household goods, damage to or loss of Navy property, etc. For the purpose of this instruction, it does not include the proper execution of fines and forfeitures ordered by a commanding officer's non-judicial punishment or court-martial.

d. Enlisted Member. For the purposes of reference (a), the term "enlisted member" includes all members serving in an active enlisted status, as well as temporary officers who hold a permanent enlisted status.

e. Erroneous Payment. The term "erroneous payment" means a payment of pay and/or allowances that was not legal or proper when made. It does not include a payment that was legal and proper when made, but for which a member became indebted, in whole or in part, because of circumstances thereafter occurring. Examples: (1) Advance leave which becomes excess leave because of a member's early release from active duty; or (2) A Re-enlistment or Selective Reenlistment Bonus not fully earned at the time of a member's early release from active duty. An overpayment resulting from an inherent delay in processing a pay action is also not considered an erroneous payment.

f. Pay. The term "pay" means all elements of military pay, including, but not limited to, basic, special, reenlistment bonuses, incentive, readjustment, severance, separation, lump-sum leave, retired, retainer and inactive duty training pay.

g. Allowances. The term "allowances" means all elements of military allowances, including, but not limited to, subsistence, quarters, uniform, personal money, family separation, overseas station, variable housing, transportation, and travel allowances.

h. Report of Investigation. An application submitted under the provisions of this instruction, together with the prescribed endorsements containing a specific computation of and the reasons for the indebtedness or erroneous payment, the corrective action taken to prevent similar errors, and enclosures thereto constitute a "Report of Investigation."

i. Written Notification. Written notification must be provided to members who are found to be indebted to the United States. Such notice must include the right to request waiver of the Government's claim under the referenced statutes.

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j. Naval Member. For the purpose of this instruction, the term "naval member" includes members of both the United States Navy and United States Marine Corps.

5. Delegation. The SECNAV's authority to remit or cancel the indebtedness of an enlisted member on active duty under reference (a), or waive the claim of the Government arising from an erroneous payment of pay and/or allowances to or on behalf of a present or former naval member under reference (b), is delegated to the Chief of Naval Operations (CNO) and to the Commandant of the Marine Corps (CMC). Under the Chief of Naval Personnel and Commander, Naval Military Personnel Command, the Director, Navy Family Allowance Activity, Cleveland, Ohio, shall exercise the CNO authorities; and the CMC for members of the Marine Corps, which may be redelegated in whole or in part. All actions under this delegated authority shall be in accordance with the guidelines and standards contained in this instruction or the General Accounting Office Manual for Guidance of Federal Agencies, Title 4, Chapter 16. An application processed under reference (b), appropriate for waiver involving an erroneous payment totaling more than \$500.00, will be forwarded to the Comptroller General of the United States with an appropriate recommendation by the delegated authority. The delegated authority will use the statute available most beneficial to the applicant.

6. Information. References (a) and (b) allow for remission/cancellation of indebtedness and waiver of claims arising from erroneous payments of pay and/or allowances. Each law with its specific authority and criteria, is detailed below:

a. 10 USC 6161 - Remission/Cancellation of Indebtedness

(1) Who May Apply. Any enlisted member on active duty including temporary officers holding a permanent enlisted status.

(2) When To Apply. In sufficient time to allow a determination prior to the member's honorable discharge.

(3) What Can Be Considered. Any indebtedness to the Navy or Marine Corps over which SECNAV has control. Exception: Properly executed fines or forfeitures of pay resulting from courts-martial or a commanding officer's non-judicial punishment.

(4) Amount to be Considered. Amount of indebtedness remaining due the Navy or Marine Corps as of the day prior to the date of the commanding officer's endorsement to the member's Waiver/Remission Application.

(5) Criteria. Consideration will be given to the following criteria when determining whether to remit or cancel an indebtedness:

(a) Whether payment was received in good faith; or whether member acted in good faith to protect the best interests of the Government.

(b) Whether it would be a hardship to repay the debt within a reasonable period of time.

(c) The member's value to the service.

(d) Possible deterioration of morale.

(e) Whether collection would be an injustice.

(6) Special Cases. Because of the specific authority of reference (a), certain cases may be processed via special procedures:

(a) Blanket Requests - Commanding offices may submit a request for all enlisted members within their commands who are indebted for like circumstances. A letter addressed to the Director, Navy Family Allowance Activity, Cleveland, Ohio 44199-2087; or the Commanding Officer, Marine Corps Finance Center, (Code SEI), Kansas City, Missouri 64197-0001; must detail the cause(s) and nature of the indebtedness, individuals indebted, including social security number, and the individual amounts indebted.

(b) Indebtednesses Discovered Within 90 Days of Member's Anticipated Separation from Active Duty - Message requests, providing the basic information contained in enclosure (1) to this instruction, may be processed for members found indebted to SECNAV within 90 days of their anticipated separation from active duty. The message must be addressed to NAVFAMALW-ACT CLEVELAND OH with an INFO copy to NAV-FINCEN CLEVELAND OH, or MARFINCEN KANSAS CITY MO (CODE SEI).

(c) Waiver/Remission Application Pending When Member is Within 90 Days of Anticipated Separation From Active Duty - The Director, Navy Family Allowance Activity, or the Commanding Officer, Marine Corps Finance Center (Code SEI), must be notified by message or telephone when it is discovered members are within 90 days of their anticipated separation from active duty.

b. 10 USC 2774 - Waiver of Erroneous Payment

(1) Who May Apply. Any present or former member of the United States Navy/Marine Corps, and recipients of pay and/or allowances on behalf of members or former members.

(2) When to Apply. Application must be received by the Director, Navy Family Allowance Activity, the Commanding Officer, Marine Corps Finance Center

(Code SEI), or the Comptroller General of the United States within 3 years following the date of discovery of the erroneous payment.

(3) What Can Be Considered. Any erroneous payment of pay and/or allowances paid by the United States Navy/Marine Corps. The overpayment of travel and transportation allowances made prior to 28 December 1985 may not be waived.

(4) Amount To Be Considered. Total amount of erroneous payment, refunds authorized for amounts collected, and subsequently waived.

(5) Criteria. Consideration will be given to the following criteria when determination is made whether to waive the claim of the Government:

(a) Whether the applicant was aware or should have been aware of the overpayment and any action taken to correct or preclude the erroneous payment.

(b) Whether there is any indication of fault, fraud, misrepresentation, or lack of good faith on the part of the applicant, or anyone acting in his or her behalf.

(c) Whether collection would be against equity and good conscience and not in the best interest of the United States.

c. General Policy. Any significant unexplained increases in, or failure to appropriately decrease pay or allowances which would cause reasonable members to inquire concerning their correctness ordinarily preclude favorable action under either law when the recipient has failed to bring it to the attention of responsible officials. Even when members have notified an appropriate official of an error, and corrective action is not taken, they cannot, in good conscience, apply the money to their own use without reasonably expecting the overpayment to be recovered.

7. Application Procedures. All applications submitted by active duty members will be in the format of enclosure (1). Specific information relative to the waiver request, i.e. the nature of the indebtedness or erroneous payment, circumstances surrounding, documentation when available, and subsequent collection is necessary for proper and expeditious adjudication. Thus, all items of enclosure (1) must be completed as the required minimum. Additional information, documentation, and explanation is encouraged. Discussion is not limited to the items listed on enclosure (1). Any information unique to the specific circumstances of the present indebtedness should be added to the waiver request by the applicant, commanding officer, or disbursing officer. Although both references (a) and (b) allow for applications in behalf of members,

reference (b) requires a signed statement by the recipient of the erroneous payment specifically addressing his or her awareness of it. The Navy Finance Center or Marine Corps Finance Center, as appropriate, will provide an application to retired, reserve or discharged members, annuitants and any other persons eligible for consideration under reference (b).

a. Navy Member. An application from a member on active duty will be submitted to the Director, Navy Family Allowance Activity, Cleveland, Ohio 44199-2087 via: (1) the member's commanding officer, (2) the members current disbursing officer, and (3) the Commanding Officer, Navy Finance Center, Cleveland, Ohio 44199-2055. Former members no longer on active duty, including retired members, may apply under the provisions of reference (b) to the Director, Navy Family Allowance Activity via the Commanding Officer, Navy Finance Center. Members of a reserve unit, who receive an erroneous payment as a result of service with the unit, may request waiver under reference (b) by submitting an application via his or her commanding officer and the Commanding Officer, Navy Finance Center.

b. Marine Corps Member. Application from a member on active duty will be submitted to the Commanding Officer, Marine Corps Finance Center, (Code SEI), Kansas City, Missouri 64197-0001 via (1) the member's Commanding Officer and (2) the member's current disbursing officer. Former members no longer on active duty, including retired members, may apply under the provisions of reference (b) to the Commanding Officer, Marine Corps Finance Center (Code SEI). Members of a reserve unit who receive an erroneous payment as a result of service with the unit, may request waiver under reference (b) by submitting an application via their commanding officer to the Commanding Officer, Marine Corps Finance Center (Code SEI).

c. Others. An application from a person paid on behalf of a member or former member will be submitted to the Director, Navy Family Allowance Activity, Cleveland, Ohio 44199-2087; or to the Commanding Officer, Navy Finance Center, Cleveland, Ohio 44199-2055, or to the Commanding Officer, Marine Corps Finance Center (Code SEI), Kansas City, Missouri 64197-0001, as appropriate.

d. Message Requests. Requests for waiver of indebtedness under the provisions of reference (a) may be submitted by message for early outs and immediate discharges or when the member's anticipated separation is within 90 days. The message will be submitted to NAVFAMALWACT CLEVELAND OH with an INFO copy to NAVFINCEN CLEVELAND OH, or to MARFINCEN KANSAS CITY MO (CODE SEI), as appropriate. It should contain all facts required for a regular letter request. When a member whose application has been

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forwarded is due for early discharge or is within 90 days of his or her Expiration of Active Obligated Service date, forward a message so stating to the NAVFAMALWACT CLEVELAND OH or MARFINCEN KANSAS CITY MO (CODE SEI), as appropriate.

e. Blanket Requests. Commanding officers may request waiver of indebtedness for more than one member of their command under the provisions of reference (a) or (b), when the members' indebtednesses were the result of the same administrative action. The application must include a list of members for whom waiver is being requested with name, social security number, amount overpaid, amount collected and amount outstanding. In addition, a complete description of the circumstances surrounding the overpayment must be provided. Blanket requests submitted under reference (b) require each member's signature on a specific statement relative to his or her awareness of the erroneous payment. If any members for whom waiver is requested have been transferred or are due to transfer, the new duty station address must be included. Commanding officers may not request consideration for members who have been discharged, but should inform them of their individual right to request waiver under the provisions of reference (b). Such applications should indicate that the overpayment was considered in a blanket submission by the applicant's prior command.

8. Action on Applications

a. Applicant. Any active duty member applying for waiver will furnish the information required by enclosure (1). All applicable blocks must be completed. If the applicant requests consideration based on financial hardship, enclosure (2) must be completed also. Applicants are encouraged to provide as much related information as possible and provide all available documentation to support their application. Retired, reserve or discharged members, annuitants and other persons eligible for consideration under reference (b), will provide all information requested on the application form furnished by the Navy or Marine Corps Finance Center.

b. Commanding Officer. If the applicant is an active duty member or a reserve member applying for waiver of an erroneous payment resulting from service in a reserve unit, the commanding officer will furnish the information required by the first endorsement to the applicant. The commanding officer is responsible for the completeness of the application. If the applicant (active duty only) has requested consideration based on financial hardship, the commanding officer is responsible for review and certification of the financial statement contained in Section II of enclosure (2). If the applicant is an enlisted member, including a temporary officer with permanent enlisted status on active duty, collection of the indebtedness will be suspended as of the day prior to the date of the com-

manding officer's endorsement unless the commanding officer specifically states collection must continue. Factors to be considered in this determination should include financial hardship, ability of the government to recover the debt should the application for waiver be denied, morale and protection of the government's best interests. If the applicant is an officer (except a temporary officer with permanent enlisted status), suspension of collection is not authorized unless specifically directed by the commanding officer. For all cases being considered under reference (b), the following conditions must exist to authorize suspension:

(1) Financial hardship resulting from continued collection of the debt.

(2) There is a reasonable likelihood that the application for waiver will be approved.

(3) There is a reasonable assurance that the indebtedness will be collected should the application for waiver be denied.

c. Disbursing Officer. The disbursing officer will furnish the information required by the second endorsement to enclosure (1). In the case of reserve members, the Reserve Pay Department of the Navy or Marine Corps Finance Center is considered the disbursing officer and will furnish the information required in the disbursing officer's endorsement to the application. If the applicant is an active duty enlisted member, including a temporary officer with a permanent enlisted status, the disbursing officer will discontinue checkage as of the day prior to the date of the commanding officer's endorsement to the member's waiver application. In cases where the commanding officer must approve suspension of collection action, the disbursing officer will discontinue checkage as of the day prior to the date of the commanding officer's endorsement to that effect. For applicants not requesting suspension of checkage or where request for suspension has been denied, checkage will remain in effect pending final determination on the waiver application. For the purposes of this instruction, the term "disbursing officer" includes a deputy disbursing officer who is responsible for the maintenance of the member's pay account.

d. Navy Finance Center or Marine Corps Finance Center. The Commanding Officer, Navy Finance Center or Marine Corps Finance Center, as appropriate, will furnish any additional information or documentation relevant to the indebtedness or erroneous payment.

e. Commandant of the Marine Corps or Director, Navy Family Allowance Activity. The Commandant of the Marine Corps (CMC), a designee, or the Director, Navy Family Allowance Activity, as appropriate, shall

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determine which of the reference statutes, if any, is most advantageous to the applicant and take action as follows:

- (1) Approve waiver in whole or in part.
- (2) Disapprove waiver in entirety.

(3) If appropriate, forward waiver request to the Comptroller General of the United States.

9. Additional Waiver Action. CMC, or a designee, and the Director, Navy Family Allowance Activity may, if unusual circumstances dictate, grant a waiver or initiate waiver procedures in the absence of an application from the person involved under the provisions of references (a) or (b).

10. Notification of Waiver Action. The Comptroller General of the United States; the Director, Navy Family Allowance Activity, and CMC or a designee, shall notify all concerned in writing as to the final action taken on an application for waiver if they reasonably can be located. It is imperative that the Director, Navy Family Allowance Activity and CMC, or a designee, be advised of any changes of address of the applicant during the time the request is being considered. Any person who has repaid all or part of a claim which has been waived in whole or in part under reference (b) shall also be advised of their right to request refund within 2 years following the date of the waiver action, to the Commanding Officer, Navy Finance Center or to the Commanding Officer, Marine Corps Finance Center, as appropriate.

11. Refunds of Amounts Repaid and Waived. The Commanding Officer, Navy Finance Center or Marine Corps Finance Center, as appropriate, will refund any repaid amount which has been waived under reference (b). Requests for this refund may be included with the application for waiver or must be made within 2 years following the date of the waiver. Refunds shall be charged to the same appropriation from which the overpayment was made. Field disbursing officers are not authorized to make refunds resulting from a waiver, unless authorized by the appropriate finance center.

12. Records

a. Written Record. The report of investigation, a detailed account of the corrective action taken; an account of the waiver action taken and the reasons therefore; and other pertinent information, such as the action taken on an application for refund, constitutes the "written record" in each case. The written record will be retained by CMC or a designee, and the Director, Navy Family Allowance Activity, for 6 years and 3 months for review by the General Accounting Office.

b. Register. CMC or a designee, and the Director, Navy Family Allowance Activity will maintain a register showing the disposition of each application for waiver. This register will be retained for 6 years and 3 months for review by the General Accounting Office.

13. Reporting Requirements. Reporting requirements are only on determinations under reference (b).

a. Commanding Officer, Navy Finance Center, and Commanding Officer, Marine Corps Finance Center. Within 45 days after the close of each fiscal year, the Commanding Officers, Navy Finance Center and Marine Corps Finance Center, will furnish the CMC and the Director, Navy Family Allowance Activity, as appropriate, a report showing:

(1) The total dollar amount refunded as a result of waiver by CMC, or a designee, or the Director, Navy Family Allowance Activity.

(2) The total dollar amount refunded as a result of waiver action by the Comptroller General of the United States.

b. Commandant of the Marine Corps and Director, Navy Family Allowance Activity. Within 60 days after the close of each fiscal year, the Commandant of the Marine Corps and the Director, Navy Family Allowance Activity will furnish the Comptroller General of the United States a report showing:

(1) The number of waiver requests granted in full by them, or their designee, and the total dollar amount waived.

(2) The number of waiver requests granted in part by them, or their designee, the total dollar amount waived, and the total dollar amount denied.

(3) The number of waiver requests denied in entirety by them, or their designee, and the total dollar amount denied.

(4) The number of requests transmitted to the Comptroller General of the United States for waiver action.

(5) The total dollar amount reported under subparagraph 13a(1).

(6) The total dollar amount reported under subparagraph 13a(2).

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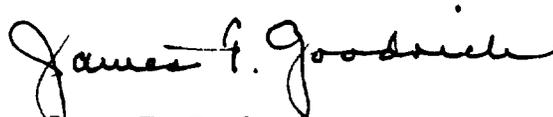
14. Forms and Reports

a. The following forms are available in the Navy supply system using requisitioning procedures contained in NAVSUP P-2002. Navy Stock List of Publications and Forms:

(1) NAVPERS 7220/7 (Rev. 8-85), Waiver/Remission Application, S/N 0106-LF-072-2035.

(2) NAVPERS 7220/8 (Rev. 8-85), Financial Statement - Remission of Indebtedness, S/N 0102-LF-072-2040.

b. Reports required by paragraph 13 will be titled "Waiver of Erroneous Payments, PL 92-453" and assigned report control symbol NMPC-7220-1 and Marine Corps report symbol GA-722-07. These reports are approved until April ~~1990~~. 1993


James F. Goodrich
Under Secretary of the Navy

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WAIVER/REMISSION APPLICATION

SECNAVINST 7220.38E
10 JUN 1986

AUTHORITY: 10 USC 2774, 10 USC 6161, and SECNAVINST 7220.38E et sequentia.

PURPOSE: To request waiver of collection of erroneous payments of pay and allowances or remission of indebtedness.

ROUTINE USES: By designated Navy and Marine Corps personnel and the Comptroller General of the United States in the course of administering the above waiver statutes.

DISCLOSURE: Disclosure is voluntary, however, failure to disclose requested data, including your social security number (SSN), may prevent waiver consideration of the claim for erroneous payments you have received. Your SSN is requested under the authority of Executive Order 9397 and will be used to distinguish you from all other individuals who have sought or may seek waiver.

PART I

INSTRUCTIONS: Submit this application via your Commanding Officer and Disbursing Officer. Your Disbursing Officer will mail the completed application to the Navy or Marine Corps Finance Center as appropriate. Attach enclosures that support or clarify your request. Use a typewriter or print clearly in ink.

1. NAME (Last, First M.I.)	2. SSN	3. Rank/Rate	4. MOS	5. EAOS
6. SHIP/STATION/UNIT (Include Mailing Address)				

7. VIA: Commanding Officer,
Disbursing Officer,

8. ENCLOSURES:

PART II

INSTRUCTIONS: Answer all pertinent questions. Attach enclosures as required.

9. AMOUNT OF ORIGINAL DEBT/ERRONEOUS PAYMENT \$ _____
 AMOUNT REPAYED \$ _____
 AMOUNT FOR WHICH WAIVER/REMISSION IS REQUESTED \$ _____

	Yes	No	(Check appropriate block)
10.			Did you receive LES's during the period of erroneous payment?
11.			Did you review LES's during the period of erroneous payment?
12.			Did these LES's show the erroneous payment? (If yes, attach copies of the LES's)
13.			Do you desire a refund of the amount repaid if request approved under 10 USC 2774?
14.			Do you request waiver/remission of the entire debt?
15.			Have you petitioned the Board for Correction of Naval Records?
16.			Will repayment of this debt result in extreme financial hardship? (If yes, attach a completed financial statement)
17.			Do you request suspension of collection pending a determination?
18.			Did you know or suspect you were overpaid? (If yes, explain in Part III)
19.			Has debt or erroneous payment been explained to your satisfaction?
20.			Have you been provided with a written description of the debt or erroneous payment?

21. Date and means by which you were notified of indebtedness or erroneous payment. (When, how and by whom) Provide a copy of written notification.

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PART III

INSTRUCTIONS: Explain in your own words and to the best of your knowledge, as clearly and concisely as you can, what happened. Include such facts as the cause of your debt or overpayment, the period involved, and your understanding of the entitlements concerned. State any recollection of when, how, and to whom you voiced your knowledge or suspicion of error, and any other efforts you may have made to have the error corrected.

1. The circumstances surrounding this debt or erroneous payment are:

SAMPLE

SAMPLE

I certify the above information is true and correct to the best of my knowledge. The information presented may be referred to the Naval Investigative Service for verification. I understand the penalty for a false claim is a maximum fine of \$10,000 or maximum imprisonment of 5 years or both.

2. SIGNATURE

3. DATE

COMMANDING OFFICER'S ENDORSEMENT:

I have have not reviewed the member's application and circumstances surrounding the indebtedness or erroneous payment.

I recommend the application be denied approved in the amount of \$. The basis of this recommendation is as follows:

 Continued collection at the rate of \$ monthly is directed.

 Suspension of collection is authorized.

SIGNATURE	GRADE	DATE
NAME AND TITLE		

DISBURSING OFFICER'S ENDORSEMENT (To be completed by the Disbursing Office maintaining member's account)

	Yes	No	(Check appropriate response)
1.			Has validity of debt or erroneous payment been verified?
2.			Has Master Military Pay Account been updated to reflect the indebtedness as described?
3.			Has member claimed consideration for financial hardship? (If yes, is financial statement attached? <u>yes</u> <u>no</u>)
4. Gross Debt/Erroneous Payment		5. Offsets, Deductions or Collections	
		6. Amount Outstanding as of day prior to Commanding Officer's endorsement	

7. Collection has has not been suspended.

8. Provide an analysis of how amount of debt was derived. Include specific items of pay/allowances, monthly rates and inclusive dates. Indicate any entitlements or credits used to offset debt (i.e. BAQ(w/o) vice BAQ(D)). If unable to identify specific item(s) of pay, provide monthly breakdown of pay for the period of overpayment (PAYPERMAN Illustration 1-2-20a). Submit a copy of worksheet/temporary pay account (NAVCOMPT 3071B) if appropriate.

9. Provide specific date and means by which member was notified of the indebtedness. Is a copy of written notification attached? yes no

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10. Furnish a complete explanation of reason the debt occurred (i.e., regulation change, status change, incomplete/erroneous information etc.).

SAMPLE

SAMPLE

11. Do you think the member knew or should have reasonably been aware of this debt before the notification date? If yes, specify actions the member could have taken to report and/or correct the situation(s) leading to the debt. If the member did take action to report and/or correct the situation leading to the debt prior to notification, why was corrective action not taken at that time (i.e., lack of up-to-date pay information, misinterpretation of regulations, improper disbursing procedures, etc.). Also, make a recommendation regarding corrective measures which could be taken to prevent similar errors. You may make a recommendation as to what action should be taken on this application provided the basis of that recommendation is also included.

SAMPLE

Prepared by:	Position Title	Autovon No.
Disbursing Officer's Signature		Date

FINANCIAL STATEMENT - REMISSION OF INDEBTEDNESS

SECNAVINST 7220.38E
10 JUN 1986

AUTHORITY: 10 USC 2774, 10 USC 6161, and SECNAVINST 7220.38E et sequentia.

PURPOSE: To request waiver of collection of erroneous payments of pay and allowances or remission of indebtedness.

ROUTINE USES: By designated Navy and Marine Corps personnel and the Comptroller General of the United States in the course of administering the above waiver statutes.

DISCLOSURE: Disclosure is voluntary, however, failure to disclose requested data, including your social security number (SSN), may prevent waiver consideration of the claim for erroneous payments you have received. Your SSN is requested under the authority of Executive Order 9397 and will be used to distinguish you from all other individuals who have sought or may seek waiver.

SECTION I INFORMATION COMPLETED BY THE MEMBER

NAME (Last, First M.I.)	GRADE	SSN
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DEPENDENTS			
NAME AND ADDRESS	AGE	RELATIONSHIP	% OF SUPPORT

APPLICANT'S MONTHLY INCOME AND EXPENSES			
MONTHLY INCOME		MONTHLY EXPENSES	
Basic Pay)))))) \$	FITW(Exemption Status)	\$
Basic Allowance for Quarters		SITW(Exemption Status)	
Basic Allowance for Subsistence		FICA Tax	
Clothing Maintenance Allowance		Rent	
Family Separation Allowance		Utilities*	
Variable Housing Allowance		Telephone	
Other (Specify)		Food	
		Clothing	
		Insurance*	
		Car Expenses (Operating)	
		School*	
		Medical/Dental*	
		Forfeitures of Pay - Exp.:	
		Child Support/Alimony	
		Other (Specify)	
TOTAL	\$		

MONTHLY INSTALLMENT PAYMENTS		
ITEM	EXPIRES	AMOUNT
House		\$
Car		
Furniture		
Other (Specify)		
TOTAL		\$

RECAP OF TOTAL MONTHLY INCOME		
Total monthly gross income (Pay and Allowances)		\$
Total monthly installment payments	\$	//////////
Total monthly expenses	\$	//////////
Total monthly obligations (Installment payments and expenses)		\$
Net income (Total monthly gross income less total monthly obligations)		\$

*Itemize/explain as appropriate. Use separate sheet if necessary

SPOUSE'S INCOME

Spouse's monthly gross income		\$	Spouse's other monthly gross income	\$
Less expenses incident to employment			Less expenses incident to the operation of a private business or other outside income. (Itemize and/or explain as appropriate. Use a separate sheet if necessary.)	
FITW	\$			
SITW				
FICA				
Car maintenance and operation				
Other transportation expenses				
Car payment				
Child care				
Other (Specify)				
RECAP OF TOTAL MONTHLY FAMILY INCOME				
Total Expenses		\$	Applicant's net income	\$
Spouse's net income		\$	Spouse's net income	
			Other net income	
			Total net monthly income after expenses for family	\$

OTHER ASSETS: Show present value of and equity in all assets other than household goods and clothing, including but not limited to savings and checking accounts, stocks, bonds, real estate, automobiles, boats, trailers, businesses, etc.

REMARKS:

I make the foregoing statements as a part of my application with full knowledge of the penalties for willfully making a false statement. 18 USC 1001 provides a penalty as follows: A maximum fine of \$10,000 or a maximum imprisonment of 5 years or both.

SIGNATURE OF APPLICANT	DATE	Date application received by Member's Commanding Officer
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SECTION II INFORMATION COMPLETED BY COMMANDING OFFICER

Are amounts provided by the member reasonable for your locale? Explain any concerns you have with the amounts reported.

Do you believe hardship is an appropriate consideration in the member's application? Provide your opinion on the extent of hardship and/or recommend a monthly collection rate.

ENDORSEMENT PREPARED BY:	POSITION TITLE	TELEPHONE NUMBER (AUTOVON)
SIGNATURE AND GRADE	DATE	