

HHS Transmittal 84.6
Personnel Manual
Issue Date: 4/3/6

Material transmitted

Instruction 251-1, Intramanagement Communication and Consultation (pages 1-10)

Exhibit 251-1-A, Memorandum of Understanding for the Payment of Dues through Payroll Allotment (pages 1-3)

Material superseded

Instruction 251-1 (pages 1-5: 72.5)

Circular 550-4 (page 1)

Background:

The major revisions in the attached Instruction 251-1 on intramanagement communication and consultation are as follows:

1. References to section 7(e) of Executive Order 11491 have been deleted from the Instruction, since that Executive order section was revoked in 1975 by Executive Order 11838. The requirement for Federal agencies to have a system for intramanagement communication and consultation is now contained in FPM Chapter 251.
2. The authority to establish an official relationship with an association of supervisors and management officials has been clarified (see section 251-1-50B), Specifically, Regional Directors may authorize an association in their region when membership crosses OPDIV lines, after obtaining agreement from the OPDIVs involved. Also, the Assistant Secretary for Personnel Administration is the authorizing official for associations where membership crosses OPDIV lines at headquarters or outside of a single region.
3. A provision has been added to the Instruction requiring the establishment of an official relationship if an association meets the criteria and its membership encompasses more than 50 percent of the eligible employees in an organization (see section 251-1-50D.3).
4. Information has been added to the Instruction regarding the process for setting up dues withholding arrangements with

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associations of supervisors and management officials (see section 251-1-60). For administrative convenience, the process parallels, in many respects, the dues withholding process for labor organizations, although these associations are not affiliated with labor organizations. The official designated to handle dues withholding for supervisory or management associations may be the labor relations officer or some other individual in the personnel office. The fee previously charged for dues withholding has been eliminated.

This issuance is effective immediately.

Filing instructions

Remove superseded material and file new material. Change Table of Contents (Instruction 002-1) for the Personnel Manual to reflect changes. Post receipt of this transmittal to the HHS Check List of Transmittals and file this transmittal in sequential order after the check list.

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Subject: INTRAMANAGEMENT COMMUNICATION AND CONSULTATION

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Exhibit 251-1-A Memorandum of Understanding for the Payment of Dues through Payroll Allotment

251-1-00 PURPOSE AND AUTHORITY

This Instruction establishes policies and procedures concerning the systems for communication and consultation among management levels within the Department of Health and Human Services (HHS). Chapter 251 of the Federal Personnel Manual (FPM) is the authority for Federal agencies to establish such systems, and this Instruction should be used in conjunction with that FPM chapter.

251-1-10 COVERAGE

- A. This Instruction covers all supervisors and management officials within HHS. (See 5 U.S. Code 7103[a] [10] and [11] for the definitions of "supervisor" and "management official.")
- B. This Instruction does not cover employees who are eligible for representation by a labor organization under 5 U.S. Code Chapter 71. This Instruction also does not cover professional and other organizations (which fall under FPM Chapter 252) or employee welfare and recreation associations (which fall under HHS General Administration Chapter 25-10).
- C. This Instruction covers all the Operating Divisions (OPDIVs) in the Department. (For purposes of this Instruction, the term "Operating Division" includes the Office of the Secretary [OS] and the Office of Child Support Enforcement [OCSE], and the term "OPDIV Head" includes the Assistant Secretary for Management and Budget for OS and the Director, OCSE.)

251-1-20 REFERENCES

- A. 5 U.S. Code Chapter 71 (law - labor-management relations)
- B. 5 C.F.R. 550.331 (regulations - dues withholding for members of associations of supervisors and management officials)
- C. FPM Chapter 251 (requirements and guidance on intramanagement communication and consultation)
- D. FPM Chapter 252 (professional and other associations)
- E. HHS Instruction 273-1 (personnel management evaluations)
- F. HHS Instruction 550-2 (allotment of dues to a labor organization)
- G. HHS Instruction 711-1 (labor-management relations)
- H. HHS General Administration Manual Chapter 13-20 (use of Department facilities for nonofficial purposes)
- I. HHS General Administration Manual Chapter 25-10 (employee welfare and recreation associations)

251-1-30 POLICY

- A. The Department's goals include ensuring (1) that decision makers in HHS have the benefit of the wisdom and experience of supervisors and management officials and (2) that supervisors and management officials may contribute to and have a thorough understanding of Department objectives and the means for achieving them. To accomplish these goals, it is the policy of the Department to maintain systems:
 - 1. To keep supervisors and management officials informed on policies, programs, problems, and resources of the Department; and

2. To consult with them for the purpose of devising policies, administering and evaluating programs, and identifying and resolving problems.
- B. The basic channel of communication and consultation is the chain of supervision established by the official organization. In addition, supervisors and management officials may form associations, as outlined in 251-1-50 below, which can supplement the basic means of communication and consultation.

251-1-40 REQUIREMENTS

- A. Each Operating Division must maintain and use one or more systems of communication and consultation with its supervisors and management officials. (For information on various systems and techniques, see FPM Chapter 251, subchapter 2.)
- B. These systems must have the characteristics listed in FPM Chapter 251, section 1-2.c, including the following:
1. All supervisors and management officials in the OPDIV are reached by the systems.
 2. The systems of communication and consultation include supervisors and management officials in the decision-making process and ensure that they are notified of the decisions of executive management on a timely basis. They should not be "the last to know" about decisions which involve their work or their employees.
 3. Supervisors and management officials at all levels may express their views and recommendations to higher members of management in a candid and forthright manner without fear of reprisal or discrimination.
 4. Individual supervisors and management officials are able to participate in the communication and consultation if they are not affiliated with an association of supervisors and management officials. At the same time, the voluntary joining together of supervisors and management officials in groups or associations is not precluded or discouraged.

251-1-50 ESTABLISHMENT OF AN OFFICIAL RELATIONSHIP WITH AN ASSOCIATION

- A. Objective

The objective of establishing official consultative relationships with associations of supervisors and management officials is to provide them with an opportunity to express their ideas, opinions, and desires in all policy areas.

B. Authority

The following officials (or their designees) are authorized to establish an official relationship with an association:

1. OPDIV Heads, for associations within their OPDIV.
2. Regional Directors:
 - a. For associations within the office of the Regional Director in their region, and
 - b. For associations within their region when association membership crosses OPDIV lines. In such cases, the Regional Director must obtain agreement from the OPDIV Heads (or their designees) who have employees affected by the official relationship.
3. The Assistant Secretary for Personnel Administration, for associations where membership crosses OPDIV lines at headquarter or outside of a single region.

C. Criteria

As association seeking to establish an official relationship must meet the following criteria:

1. The association's membership is primarily supervisory or managerial employees;
2. The association does not discriminate in terms of membership or treatment because of race, color, religion, sex, handicap, national origin, or age;
3. The association is not eligible for recognition under 5 U.S. Code Chapter 71 and is not affiliated with a labor organization or a federation of labor organizations;
4. The association has sufficient membership to ensure a worthwhile dialogue with executive management;

5. The association has a constitution and by-laws which indicate that the organization subscribes to standards of fiscal responsibility and employs democratic principles in the nomination and election of officers; and
6. Any other appropriate criteria established by the authorizing official (see 251-1-50B above).

D. Procedures

1. An association desiring establishment of an official relationship must submit its request to the authorizing official (see 251-1-50B above). The request must include:
 - a. A copy of the association's constitution and by-laws;
 - b. The names of the officers;
 - c. The names of individuals serving on an advisory board to the association, if any;
 - d. A certification of the number of members; and
 - e. The position numbers of members not classified as supervisors, so that the composition of the association can be determined
2. When the authorizing official determines that the criteria in 251-1-50C above are met, he or she will notify the association in writing that an official relationship is established. If the authorizing official is someone below the level of the officials listed in 251-1-50B.1, 2, or 3 above, he or she will send an information copy of the notification and the association's request to the official who has designated him or her as an authorizing official.
3. The authorizing official must establish an official relationship with an association that has requested it, if the association meets the criteria in 251-1-50C above and more than 50 percent of the eligible employees in the organization are members of the association"

251-1-60 DUES WITHHOLDING

- A. If an association has membership dues and wishes to provide payroll withholding for its members, the association may request a dues withholding arrangement from the

- authorizing official (see 251-1-50B above). Such an arrangement must be established by a written agreement (or memorandum of understanding) between the authorizing official and the association, under 5 C.F.R. 550.331.
- B. A sample memorandum of understanding for dues withholding is contained in Exhibit 251-1-A. (It should be noted in the sample that Standard Form 1187 is used for requesting the payroll deduction and Standard Form 1188 is used for canceling the deduction [See copies of the forms in HHS Instruction 550-2.] These forms are designed for labor organizations and may be used, for administrative convenience, for associations of supervisors and management officials. However, an association may wish to design and use its own equivalent form or forms. If so, the association forms must be referenced in [and a copy attached to] the memorandum of understanding-)
- C. An association wishing to have dues withholding must meet the criteria in 251-1-50C above.
- D. Dues deductions will be made on a biweekly basis only. (For information on the effect of insufficient salary for a pay period, see Exhibit 251-1-A, section F.)
- E. Before a memorandum of understanding for dues withholding is signed by the authorizing official, the official will designate an official in the servicing personnel office to handle the dues withholding. The designated personnel official will contact the Division of Labor-Management and Employee Relations, HHS, by telephone to obtain a dues withholding account number. The account number will be included in the memorandum of understanding
- F. After a memorandum of understanding has been signed by the authorizing official and the association, the following procedures apply:
1. Establishing an Account
 - a. The authorizing official will send a copy of the memorandum of understanding to the designated personnel official,
 - b. The association will notify the designated personnel official, in writing, of the name and complete address of the official or financial institution which is to receive the remittances (and the official who is to receive the reports) for the association, Associations are encouraged to designate an account in a financial institution to receive the remittances

- c. The designated personnel official will complete a Form HHS-610A to establish the association's withholding account in the payroll system (see form in HHS Instruction 550-2, Exhibit 550-2-B). The personnel official will distribute the copies of the Form HHS-610A as follows:

- (1) The original copy is forwarded to the servicing personnel office's transaction unit for entry into the Terminal Data Collection Service (TDCS);

- (2) The first copy is forwarded to the association; and

- (3) The second copy is retained by the personnel official.

2. Notifying Other Servicing Personnel Offices

If the association has members in more than one servicing personnel office, the authorizing official will send copies of the memorandum of understanding to all the personnel offices involved so that they can process allotments under sections 251-1-60F.3 through 6 below.

3. Initiating a Dues Allotment

- a. The association -- not the Department -- will stock the SF 1187 or equivalent forms. (The SF 1187 forms may be purchased from the Government Printing Office.) The association will inform its members of the voluntary nature of the dues allotment and will provide them with the forms.

- b. To initiate a dues allotment, the employee and the association will complete the SF 1187 or equivalent, and the form will be sent to the designated official in the employee's servicing personnel office. When the SF 1187 is used, the employee's social security number must be inserted in the "Employee I.D. Number" block. The dues withholding account number must be included in the "Name of Labor Organization" block.

- c. After receiving the SF 1187 or equivalent, the designated personnel official will complete a Form HHS-610. (See form in HHS Instruction 550-2, Exhibit 550-2-A.) The personnel official will distribute the

copies of the Form HHS-610 as outlined in 251-1-60F.lc above and will retain the SF 1187 or equivalence

4. Correcting an Error in a Dues Allotment

If an error occurs in an employee's dues withholding, the employee or the association should notify the designated personnel official. The personnel official will complete a Form HHS-610 or take other appropriate action to correct the errors. No retroactive adjustments will be made, and the association must make any necessary adjustments directly with the employee.

5. Revoking a Dues Allotment

- a. An employee may request revocation of the dues allotment by submitting a completed SF 1188 (or equivalent form) or a written request to the designated official in the employee's servicing personnel office. The employee's social security number must be provided in the written request or in the "Employee I.D. Number" block on the SF 1188 or equivalent. If a written request is used, it must contain all the information required by the SF 1188 or equivalent.
- b. The designated personnel official will complete a Form HHS-610, distribute the copies as outlined in 251-1-60F.lc above, and retain the revocation request.
- c. The SF 1188 will not be carried in the Department supply system. Associations may purchase it from the Government Printing Office.

6. Terminating a Dues Allotment

- a. The association will notify the designated official in the member's servicing personnel office in writing within 15 calendar days when a member resigns from the association, is suspended or expelled from it, or otherwise ceases to be a member in good standing.
- b. Upon receipt of the notification, the designated personnel official will complete the Form HHS-610, distribute the copies as outlined in 251-1-60F.lc above, and retain the notification.

- c. Dues allotment to an association will automatically be terminated if an employee separates from the Federal service or transfers to another Federal agency outside of HHS.

7. Making Changes in an Account

- a. When an association changes its dues amount or makes any other changes in its account (such as changing the name or address of the official who is to receive the remittance), the association will report the change in writing to the designated official in the authorizing official's servicing personnel office.
- b. The personnel official will complete a Form HHS-610A, distribute the copies as outlined in 251-1-60F.lc above, and retain the written request from the association.

8. Canceling an Account

- a. If the authorizing official decides to cancel an association's withholding account for violation of the memorandum of understanding or for other appropriate reasons, the authorizing official will notify the association in writing and will notify all involved servicing personnel offices.
- b. The designated official in the authorizing official's servicing personnel office will complete a Form HHS-610A and will distribute the copies as outlined in 251-1-60F.lc above.

9. Reports

- a. The payroll office will submit three copies of a report biweekly to the designated official in the authorizing official's servicing personnel office. The report will include, among other items, the name of each employee for whom a dues deduction was made, the total number of deductions made, the total amount withheld, and the amount of the remittance sent to the association.
- b. The designated personnel official will forward two copies of the report to the official identified by the association under 251-1-60F.lb above. The personnel official will retain the third copy.

10. Retention of Forms and Reports

- a. The designated personnel official will retain the forms SF 1187 and SF 1188 (or equivalent) and HHS 610 for 3 years after they are superseded or 3 years after the employee transfers or separates. This is in accordance with General Records Schedule 2 in the HHS Records Management Manual.
 - b. The Form HHS 610A will be retained as follows:
 - (1) Forms which establish or cancel accounts will be retained as long as the association has an official relationship with the Department.
 - (2) Forms which change account information will be retained as long as that change is applicable
 - c. The designated personnel official will retain a copy of the biweekly reports for at least 1 year from the issue date.
- G. Any payroll action requiring the use of the Forms HHS-610 and HHS-610A will not be effective sooner than the pay period in which the data from the forms are accepted into the TDCS system from the servicing personnel offices
- H. The Department will not charge a fee to associations of supervisors and management officials for dues withholding.

251-1-70 EVALUATION

The effectiveness of systems for communication and consultation with supervisors and management officials will be an element of the program for evaluation of personnel management in the various components of the Department (See HHS Instruction 273-1.)

MEMORANDUM OF UNDERSTANDING FOR THE PAYMENT OF DUES THROUGH
PAYROLL ALLOTMENT

This memorandum of understanding for the payment of dues through payroll allotment is entered into by the Department of Health and Human Services (Department) and the _____ Association (Association).

This memorandum of understanding covers all members of the Association who (1) are employees of the Department; (2) are members in good standing of the Association; (3) voluntarily authorize a dues allotment to the Association by completing Standard Form 1187, which is the form for requesting payroll deductions; and (4) receive compensation (after all deductions of a higher priority) that is sufficient to cover the total amount of the allotment.

This memorandum of understanding is subject to and will be governed by applicable Federal laws and the regulations and policies of the Department and the U.S. Office of Personnel Management.

The Association will:

Inform its members of the voluntary nature of the dues allotment and the conditions under which the allotment may be revoked;

Purchase the necessary copies of the SF 1187 and distribute them to its members covered by this memorandum of understanding;

Ensure that SF 1187s are fully and properly completed and forwarded to the designated official in the member's servicing personnel office for processing through the Terminal Data Collection Service. The Association's dues withholding account number (_____) must be properly noted on each SF 1187 submitted. The amount withheld for the dues allotment is to be stated in a biweekly amount (annual rate divided by 26, or monthly rate multiplied by 12 and the result divided by 26). The servicing personnel office will return to the Association for correction any improperly completed SF 1187;

Inform the servicing personnel office within 15 calendar days when a member covered by this memorandum of understanding resigns from the Association, is suspended or expelled from it, or otherwise ceases to be a member in good standing;

Promptly refund the amount of erroneous remittances of dues withheld by the Department that result from terminated membership or authorized revocation;

Inform the servicing personnel office in writing of any change in the amount of the Association's membership dues. This notification must be made as much as possible in advance of the desired effective date to allow time to make the necessary adjustments in the Department's payroll system; and

Advise the servicing personnel office in writing of the name and address of the person or office (i.e., remittance official) who is authorized to receive the Association's dues deduction checks and reports.

E. The Department will:

1. Take the action necessary to effect the payment of dues through payroll allotment in accordance with this memorandum of understanding;
2. Withhold the authorized dues on a biweekly basis; and
3. Transmit to the remittance official of the Association for each pay period:
 - a. A check payable to the Association in an amount equal to the total of the dues deductions made under this memorandum of understanding; and
 - b. A report with the names of each member of the Association from whose pay a dues deduction was made under this memorandum of understanding. The report will include the total number of dues deductions made, the total amount withheld, and the amount of the check transmitted to the Association.

F. If an erroneous dues amount is withheld, the member will notify the designated dues withholding official in the servicing personnel office. The Employee Systems Center will only make adjustments prospectively. No retroactive adjustments will be made. In any pay period where the member's salary, after all legal and required deductions are made, is not sufficient to cover the amount of the dues allotment, none will be made, nor will any withholding be made to cover that pay period from future earnings. The Association must make necessary dues adjustments directly with the member.

G. The dues deduction will begin with the first full pay period after the member's properly completed SF 1187 is received in the member's servicing personnel office and the transaction is accepted into the payroll system.

A member of the Association may request revocation of the dues deduction by submitting to the servicing personnel office either an SF 1188, which is the form for cancellation of payroll

deduction, or a signed written request. Any written request must contain all the information required by the SF 1188.

The revocation of a dues allotment submitted by a member of the Association will be effective the first full pay period after the revocation is received in the servicing personnel office and the transaction is accepted into the payroll system.

The termination of a dues allotment due to loss of membership in good standing in the Association will be effective the first full pay period after the notification is received in the servicing personnel office and the transaction is accepted into the payroll system.

Termination of dues allotment due to separation from the Federal service or transfer to another Department or agency will be effective with the separation or transfer.

This memorandum of understanding may be modified at any time on agreement of the parties.

This memorandum of understanding is effective when signed by the officials of the Association and the Department who are authorized to establish an official relationship.

For the Department:

For the Association:

(Typed name) Date
(Title)

(Typed name) Date
(Title)