SUBJECT: Approval of two updated financial policy chapters.

<table>
<thead>
<tr>
<th>Vol.</th>
<th>Ch.</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>XV</td>
<td>1</td>
<td>Payroll: Overview</td>
</tr>
<tr>
<td>XV</td>
<td>6</td>
<td>Payroll: Payments</td>
</tr>
</tbody>
</table>

DISCUSSION: The Financial Policy Steering Committee voted, approved, and recommended CFO approval of the following policy chapters:

- Volume XV, Chapter 1 Payroll: Overview, establishes the Department of Veterans Affairs (VA) financial policies and procedures regarding VA’s payroll administration. VA’s payroll operations include functions performed by VA employees and VA’s payroll provider. VA local payroll staff is responsible for a wide variety of tasks that are essential for VA to keep operating efficiently and effectively.

- Volume XV, Chapter 6, Payroll: Payments, establishes the Department of Veterans Affairs (VA) financial policies and procedures regarding payroll payments. VA will pay its employees, including separated employees, the correct amount of salary and/or wages, premium pay, allowances, and differentials to which they are entitled by Federal laws, regulations, and VA policy. VA’s payroll operations are governed in various respects by regulations issued by the Office of Personnel Management (OPM), Federal and other taxing authorities, the Department of the Treasury (Treasury), the Department of State, the Office of Management and Budget (OMB), and the Department of Labor, and by decisions issued by the United States Comptroller General.

NOTE: A summary of revisions to the chapters is attached.

RECOMMENDATION: Approve the two updated financial policy chapters by signing below.

Approved:

/s/ Edward Murray for Helen Tierney  07/07/2014
Helen Tierney  Date
Assistant Secretary for Management