

BAH Processing



Basic Allowance for Housing (BAH) Processing

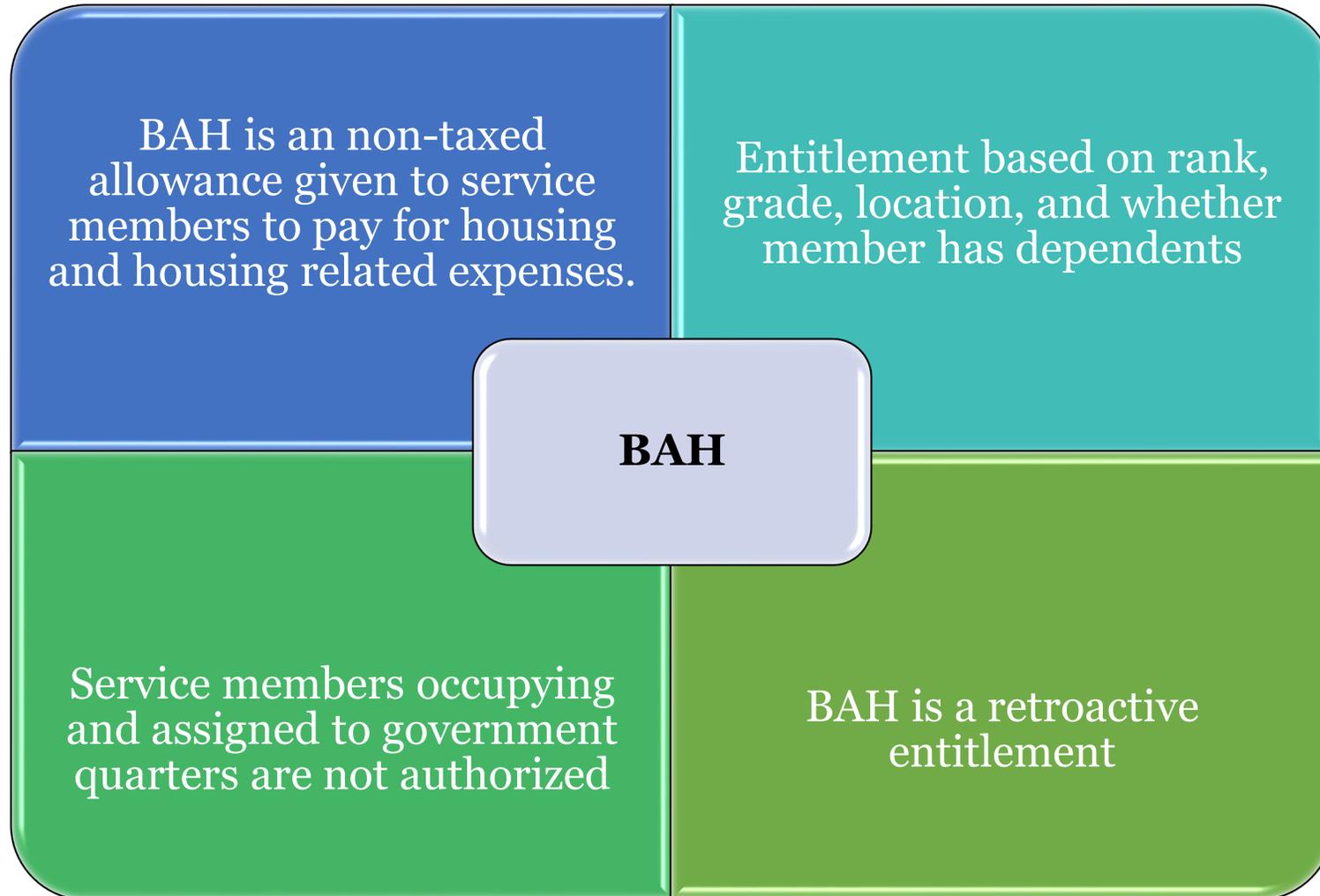
Objectives



Upon completion of this module, you will be able to:

- Identify if member is entitled to BAH.
- Identify dependency codes.
- Start/Stop BAH using NSIPS.
- List core documents required for a BAH application.
- Describe the five phases of BAH processing.
- Utilize MMPA to evaluate and determine if member is receiving BAH.
- Explain the importance of Separation of Duties.
- State the mandatory records retention period for BAH documentation.

Basic Housing Allowance (BAH)



The Five Phases of BAH Processing



- 1. Application Receipt and Initial Review**
- 2. Entitlement Verification**
- 3. System Input and Supervisory Review**
- 4. Records Management and Follow-Up**
- 5. BAH Recertification**

Phase 1: Application Receipt and Initial Review



- Action: **Receive application package from Member.**
- **Key Documents:**
 1. NPPSC 1300/3 (Pay & Personnel Transaction Request)
 2. NPPSC 7220/3 (BAH Verification Form)
 3. NAVPERS 1070/602 (Dependency Application)
 4. Supporting Documents (e.g., marriage/birth certificates).
- Critical Check: **Is the package complete?**
 - If not, return it to the member with clear instructions for correction.

Phase 2: Entitlement Verification (CPPA)



- Action: **Verify the member's entitlement based on the provided documents.**
- **Key Questions to Answer:**
 1. Is the member assigned to government quarters?
 2. Are the claimed dependents valid per the FMR and supported by documentation?
 3. What is the correct BAH Type and Rate based on pay grade, dependency status, and PDS ZIP code?

Phase 3: System Input and Supervisory Review



- **Action:** CPPA inputs transaction into the pay system and digitally attaches all source documents.
- **Action:** Approver conducts a full, independent review of the source documents and the preparer's system entry. Approver then approves or rejects the transaction.
- **Critical Control Step:**
 - The Approver must **NOT** be the same person as the Preparer.
 - Known as Separation of Duties or the "Two-Person Rule".

Phase 4: Records Management and Follow-Up



- **Action:** Ensure the approved transaction is properly retained. filed and
- **Critical Rule:** Per NPPSCINST 7250.1A, all BAH documentation must be retained for 6 years and 3 months.
- **Final Step:** Monitor the member's next Leave and Earning Statement (LES) to confirm the BAH has been correctly started, stopped, or changed.

Phase 5: BAH Recertification



BAH Re-certification is Required when:

- Arriving at a new PDS
- Parental dependency
- Student 21-22 years of age
- Incapacitated child over 21
- Ward
- Any dependent of a Reserve Component (RC) member

BAH Eligibility



Who is Entitled to BAH:

- E5 and under (single) with Command approval
- E5 and under (with dependent)
- E6 and above (single or with dependent)
- Mil to Mil (no dependents, both receive single rate)
- Mil to Mil with dependent (only one member can claim dependent child/children)
- Member with dependents at different location (BAH/with dependent at dependent location)
- Member with child out of wedlock (BAH-Diff with 51% custody and support)

Key Supporting Documents



Single BAH:

- NAVPERS FORM 1336/3 (REQUEST CHIT)
- Barracks/Housing Certificate of Non-Occupancy/Non-Availability for E4 and below
- Barracks check out sheet

Dependent BAH (Married to Civilian or Mil-Mil):

- Update Record of Emergency Data Application or RED/DA (NAVPERS 1070/602) for Marriage
- Marriage License (must have official seal)

Dependency Codes & FIDs



R: Single

I: Mil to Mil

N: Non-custodial

K: Ward

L: In-Laws

C: Custodial parent w/ dependent

A: Civilian Spouse

W: Mil to Mil w/ dependent

S: Student

D: Parent

FIDs:

35 – BAQ

36 – BAQ DIFF

68 - BAH

MMPA Codes



QTR-ASGN (GOCA) - Government housing designation status of an individual and their dependents, as applicable.

- 1 - Assigned
- 2 - Not-assigned

QTR-ADQ (GOBA) - Expressions by competent authority as to the suitability of government quarters.

- 0 - Not applicable.
- 1 - Adequate
- 2 - Inadequate
- 3 - Partial BAQ.
- 4 - Member assigned to dormitory, barracks, or ship, and receiving dependent rate BAQ.

HELD-INDCTR (INJY) - All or a portion of member's pay being held.

- 0 - Not applicable
- 1 - Pay held

MMMPA Codes



68 - Basic Allowance Housing

Allowance paid to officers and enlisted personnel that are assigned to duty in high cost areas in the US and to member on unaccompanied overseas tours whose dependents reside in an area of the US that qualifies for this allowance. Rates are available using Verb JWMM on Tables 059 and 060

CAUSE BY: Field/Central Site

INPUT: 6801/6802/6803/6804/6805/6806

68--BAH--OPEN

```
68 BAH* ENTRY-OPEN-DT 090319 18 03 2 CNTRL-CODE 0 ACTN 01 START 090220
ENTLMT-MM 561.35 ENTLMT 1,122.70 ENTLMT-NM 1,122.70 ACCOM 1 ZIP-CODE
60088 RENT 9,999.00 SHARE-NR 1 RENT-STAT R PRCNTGE .00 PROTECTED-
RATE 0.00 CLOST-DEPN
```

ACCOM (ACBA) - Accompanied status, the sponsored status of an individual's dependents when one or more dependents reside with the member or in the local area of member's duty station during their current or last overseas tour.

- 0 - member who is unaccompanied and receiving single BAQ
- 1 - member receiving BAQ at the with dependent rate accompanied by authorized dependents
- 2 - member receiving single rate BAQ accompanied by authorized dependents (another person is providing support for that dependent)

MMPA Codes



ZIP-CODE (ADIA) - Identifies the postal ZIP code of the area in which an address is located.

RENT (RENT) - Actual amount of rent paid in whole units.

SHARE-NR (SHAR) - The number of people occupying a dwelling.

- 1 - not sharing
- 2 - sharing with one other person
- 3 - sharing with two other persons, etc

Note: When processing the 68 for PPV in NSIPS you will select "S" and enter the percentage on the memo provided by housing.

RENT-STAT (RENS) - Identifies the status in which the occupants are classified as to how they are renting.

- R - Renting
- H - Homeowner
- O - Other
- S - Single Privatized Housing

PRCNTGE (PERA) - Percentage of BAH Without Dependent Rate to Pay for Privatized Single Housing.

PROTECTED-RATE

MMPA Codes



35 - BASIC ALLOWANCE FOR QUARTERS

Basic Allowance for Quarters

CAUSE BY: Accession/Field/Central Site

INPUT: E103/E203/3501/3502/3503/3504/3505/3506/SG03/SG05

35--BASIC ALLOWANCE FOR QUARTERS--FIXED

35 BAQ* ENTRY-OPEN-DT 980519 18 05 2 ACTN 01 START 980514 ENTLMT-MM 330.30
ENTLMT 660.60 ENTLMT-NM 660.60 NR-DEPN 1 CLOST-DEPN A QTR-ASGN 2
QTR-ADQ 0 HELD-INDCTR 1

NR-DEPN (DEGB) - The number of dependents currently relying upon the member for BAQ purposes.

1 - With Dependents

0 - Without Dependents

BAQ – 35 STOP



Create Allowances

Active Allowances

Name: _____ Rank/Rate: _____ Current DSC: 100

Appr Inst: _____ Appr Status: Pending Appr Action:

BAQ VHA FSA BAS COLA BAQ Diff HDA

Allowance Type: Basic Allowance for Quarters

Start Stop Report Change

Effective Date:

0	No change to Govt Qtrs
1	Govt Qtrs Assigned

Govt Qtrs Asgmt:

Govt Qtrs Adqcy:

Clost BAQ DEP: Spouse

BAQ DIFF – 36



Create Allowances

Active Allowances

Name: Rank/Rate: Current DSC: 100

Appr Inst: Appr Status: Pending Appr Action: [dropdown] Comments

BAQ VHA FSA BAS COLA BAQ Diff HDA

Allowance Type: [input] [search icon]

Start Stop Report Change

Effective Date: [input] [calendar icon]

Monthly Support: [input] → Child support amount.

Save Return to Search Notify

BAH Diff - Paid to Member assigned to single-type Government quarters and who qualifies for a BAH solely due to paying sufficient child support.

BAQ – 35 START



TO CHANGE THE 35 LINE SELECT BAQ

NOTE: When initially processing the 35, it will be a change unless there is a report to be made or a 36 open.

Create Allowances

Active Allowances

Name: _____

Appr Inst: BAQ VHA FSA BAS COLA BAQ Diff HDA

Appr Status: Pending Appr Action: Comments

Allowance Type: BAQ Basic Allowance for Quarters

Start Stop Report Change

Date: 01/01/2022

Govt Qtrs Asgmt: Govt Qtrs Adqcy: 0 Not Applicable(Not Assig Qtrs)

Dependent Indicator: 1 With Dependents

Cllost BAQ DEP: A Spouse

DOB Youngest Child: _____

Return to Search Notify

0 Without Dependents
1 With Dependents

1 Govt Qtrs Assigned
2 Govt Qtrs Not Assigned

0 Not Applicable(Not Assig Qtrs)
1 Adequate Quarters
2 Inadequate Quarters
3 Partial BAH
4 Member AsgnGQ & Entitled BAH-D

A	Spouse
C	Child < 21 Yrs in custody
D	Parent
G	Child < 21 Yrs not in custody
K	Ward
L	Parent-In-Law
N	Noncustodial Child Support
S	Student 21-23 Yrs Old
T	Handicapped Child
W	Member to member Dependent

BAQ – 35 CHANGE



TO CHANGE THE 35 LINE SELECT BAQ

Create Allowances

Active Allowances

Name: Rank/Rate: Current DSC: 100

Appr Inst: Appr Status: Pending Appr Action: [v] Comments

BAQ VHA FSA BAS COLA BAQ Diff HDA

Allowance Type: BAQ Basic Allowance for Quarters

Start Stop Report Change

Effective Date: 01/01/2023

Govt Qtrs Asgmt: 2 Govt Qtrs Not Assigned

Govt Qtrs Adqcy: 0 Not Applicable(Not Assig Qtrs)

Fair Rent Percent: 0

BAQ Rate:

Dependent Indicator: 1 With Dependents

Clost BAQ DEP: A Spouse

DOB Youngest Child:

Save Return to Search Notify

TO MAKE A CHANGE TO THE 35 LINE SELECT CHANGE

- 0 No change to Govt Qtrs
- 1 Govt Qtrs Assigned
- 2 Govt Qtrs Not Assigned

- 0 Not Applicable(Not Assig Qtrs)
- 1 Adequate Quarters
- 2 Inadequate Quarters
- 3 Partial BAH
- 4 Member AsgnGQ & Entitled BAH-D

- 0 Without Dependents
- 1 With Dependents

- A Spouse
- C Child < 21 Yrs in custody
- D Parent
- G Child < 21 Yrs not in custody
- K Ward
- L Parent-In-Law
- N Noncustodial Child Support
- S Student 21-23 Yrs Old
- T Handicapped Child
- W Member to member Dependent

BAH – 68 STOP



Create Allowances

Active Allowances

Name: _____ Rank/Rate: _____ Current DSC: 100

Appr Inst: _____ Appr Status: Pending Appr Action:

BAQ
 VHA
 FSA
 BAS
 COLA
 BAQ Diff
 HDA

Allowance Type:

Start
 Stop
 Report
 Change

Effective Date:

ZIP Code:

Accom Status:

Rent Status:

Fair Rent Percent:

DVH	Family Sep Housing FSH-BAH
VHA	Variable Housing Allowance

0	Receiving Single BAQ
1	Receiving Dependent BAQ

Homeowner	Homeowner
Renting	Renting
Single	Single Privatized Housing

MMPA – FIDs 35 & 68



```
35 BAQ* ENTRY-OPEN-DT 220101 99 01 1 ACTN Z4 START 220101 ENTLMT-MM 0.15
ENTLMT 0.30 ENTLMT-NM 0.30 NR-DEPN 1 CLOST-DEPN A QTR-ASGN 2 QTR-ADQ 0
HELD-INDCTR 1
```

```
68 BAH* ENTRY-OPEN-DT 220101 99 01 1 CNTRL-CODE 0 ACTN Z4 START 220101
ENTLMT-MM 883.35 ENTLMT 1,766.70 ENTLMT-NM 1,766.70 ACCOM 1 ZIP-CODE
23511 RENT 0.00 SHARE-NR 1 RENT-STAT R PRCNTGE .00 PROTECTED-RATE 0.00
CLOST-DEPN
```

```
35 -BAQ* ENTRY-OPEN-DT 220101 99 01 1 ENTRY-CLSD-DT 220330 03 04 1
CNTRL-CODE 5 ACTN 04 START 220101 STOP 211231 ENTLMT-MM -0.90 ENTLMT
-0.90 ENTLMT-NM 0.00 MNTLY-RATE 0.30 NR-DEPN 0 CLOST-DEPN I QTR-ASGN 2
QTR-ADQ 0 DISA-STOP-CHG-RSN 1 HELD-INDCTR 1
```

```
35 BAQ* ENTRY-OPEN-DT 220330 03 04 1 ACTN 04 START 220101 ENTLMT-MM 1.05
ENTLMT 1.20 ENTLMT-NM 0.30 NR-DEPN 0 CLOST-DEPN R QTR-ASGN 2 QTR-ADQ 0
HELD-INDCTR 1
```

```
68 BAH* ENTRY-OPEN-DT 220101 99 01 1 CNTRL-CODE 0 ACTN Z4 START 220101
ENTLMT-MM 865.35 ENTLMT 1,730.70 ENTLMT-NM 1,730.70 ACCOM 0 ZIP-CODE
23460 RENT 0.00 SHARE-NR 1 RENT-STAT R PRCNTGE .00 PROTECTED-RATE 0.00
```

Additional Notes



- **BAH BASED ON DEPENDENT LOCATION:**
Requires BUPERS 451-H/N130 APPROVAL MSG.
- **The NAVPERS 1070/602** must reflect that the Member has legal court ordered custody if the Member is receiving dependent BAH or must reflect the monthly amount of support.
- **PPV** (noted as .74 or .66 on JJAA code 68) should be dealing directly with PPV office.
- **Dependency code change** - Member updating RED/DA involving BAH change of dependency code
- **DODFMR Vol 7a paragraph 261005.a.7** – Mobilized Reserve or Reserve Component (RC) member's BAH is based on member's primary residence or Place Entering Active Duty (PLEAD)

References



- OPNAVINST 7220.12
- LOCAL POLICY
- DOD FMR, Volume 7A, CH 26

FAQs for Service Members



1. Q: Where can I find the forms I need to start my BAH?

A: The primary forms, NPPSC 1300/3 and NPPSC 7220/3, can be found on the official Navy Forms website or obtained directly from your pay and personnel office. Your Record of Emergency Data (NAVPERS 1070/602) can be updated via MyNavy Portal or with your command's personnel office.

2. Q: I just got married. What do I need to do to start BAH or change to the "with-dependent" rate?

A: You must first update your dependency status by submitting a NAVPERS 1070/602 (Record of Emergency Data) along with a certified copy of your marriage certificate. Once DEERS is updated, you will submit the full BAH application package (NPPSC 1300/3 and NPPSC 7220/3) to your pay office.

3. Q: My BAH on my LES is incorrect. What should I do?

A: Immediately contact your command's pay and personnel office. Bring a copy of your LES and any supporting documentation for your BAH entitlement (e.g., your BAH approval notification, dependency documents). They will review your account and submit a correction if necessary.

4. Q: How long does it take for my BAH to start after I submit my package?

A: While processing times can vary, you should monitor your Leave and Earning Statement (LES). Typically, if a complete and correct package is submitted before the pay system's cutoff date for a given pay period, the change should be reflected on that period's LES.

FAQs For Preparers and Approvers



5. Q: What is the most common reason a BAH package is rejected or returned?

A: The most common reasons are incomplete forms and missing supporting documentation. For example, a member claiming a dependent without providing a marriage certificate or birth certificate or submitting an unsigned NPPSC 1300/3.

6. Q: The regular supervisor is on leave. Can I, as a Preparer, have another Pay Clerk approve my transaction to speed it up?

A: No. The core principle of Separation of Duties (SOD) requires an independent review from a designated, authorized approver. The approver must have the proper authority and cannot be a peer preparer unless they are officially designated as an acting supervisor with approval authority.

7. Q: Why do we need to keep records for 6 years and 3 months? It seems excessive.

A: This retention period is legally mandated by NPPSCINST 7250.1A and is aligned with the statute of limitations for financial record-keeping and audits. It ensures that if there is a pay inquiry, audit, or investigation, the full documentation is available to validate the transaction.

FAQs For Preparers and Approvers



8. Q: As an Approver, what is my single most important responsibility?

A: Your most important responsibility is to perform a 100% independent review of the entire package. You are not just checking the Preparer's math; you are certifying that the member is entitled to the payment in accordance with the JTR and FMR, and that the documentation supports it. Your approval signifies that you have personally verified the transaction's validity.

9. Q: What is the difference between BAH-Diff, Partial BAH, and regular BAH?

A:

- **BAH:** The primary allowance for members living off-base. Rates vary by location, pay grade, and dependency status.
- **Partial BAH:** A smaller, standardized rate for members without dependents who are living in government quarters.
- **BAH-Diff (Differential):** An additional allowance for members with dependents who are assigned to single-type government quarters and are also paying child support. This is a very specific and less common entitlement.

Summary and Review



The 4 Phases of BAH Processing

Application Receipt & Initial Review

- Member submits a complete package.
- Preparer reviews forms for accuracy.

Entitlement Verification

- Preparer verifies eligibility per JTR & FMR.
- All dependencies are confirmed with source docs.

System Input & Supervisory Review

- Preparer inputs the transaction.
- Approver conducts a 100% independent review.

Records Management & Follow-Up

- Approved package is retained.
- Member's Leave and Earning Statement (LES) is monitored for accuracy.

Critical Compliance Rules

Separation of Duties (SOD) The Preparer and the Approver MUST be different individuals. This "two-person rule" is mandatory.

Records Retention All BAH documentation MUST be retained for 6 years and 3 months in accordance with NPPSCINST 7250.1A.

Audit Trail Every transaction must be fully supported by source documents (NPPSC 1300/3, NAVPERS 1070/602, etc.) attached to the record.



Questions?

Conclusion



Thanks for your participation in today's **BAH** training!

For Qualtrics this is lesson #**235**”
Scan QR code for attendance!

https://usnavy.gov1.qualtrics.com/jfe/form/SV_0TgIQYZg67NX9pY