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DECISION



THE COMPTROLLER GENERAL OF THE UNITED STATES WASHINGTON, D. C. 20548

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FILE: B-192138

DATE: April 9, 1979

MATTER OF: Jack K. Goldstein and Pauline C. Tillmann -

[Request for Actual Expenses in lieu of Per Diem for High-Rate Geographical Area

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DIGEST: Two employees of Social Security Administration, who performed temporary duty in Pasadena, California, a high-rate geographical area (HRGA), were erroneously authorized per diem in travel orders. In reliance on orders, employees did not obtain lodging receipts. Since Pasadena is HRGA, reimbursement must be on actual subsistence expense basis. However, para. 1-8.1e, FTR, Regulation, permits approval by agency of necessary subsistence expenses although per diem authorized. GAO has no objection to reimbursement of actual expenses, provided travelers fully explain lack of lodging receipts in travel vouchers and itemize expenses to permit review by agency.

This decision responds to a request by Mr. Matthew G. Schwientek, Director, Division of Finance, Social Security Administration, Department of Health, Education, and Welfare (HEW), as to the propriety of paying two travel vouchers submitted by Jack K. Goldstein and his wife, Pauline C. Tillmann, in the amounts of \$1,564.89 and \$1,463.30, respectively. The issues are (1) whether the vouchers must be submitted on an actual expense basis, and (2) whether lodging receipts must be furnished.

Mr. Goldstein and Ms. Tillmann are both employees of the Social Security Administration assigned to the Bureau of Hearings and Appeals. By travel orders dated October 26, 1977, they were authorized to perform temporary duty assignments in Pasadena, California, during the period October 31 through December 1, 1977. Per diem was authorized for the first 30 days at \$35 on a lodgings-plus basis and as needed beyond the initial assignment period.

The difficulty is that, prior to the travel in question, by memorandum dated September 16, 1977, the Bureau of Hearings and Appeals and other work units of the Social Security Administration were notified of impending changes to the travel regulations which became effective at 12:01 a.m. on September 18, 1977. Among the changes was an extension

Federal employees
Per diem allowance
subsidized
Federal funds

Travel allowance
Personal funds

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of the boundaries of the Los Angeles, California, high-rate geographical area to comprise the entire county of Los Angeles, including the city of Pasadena. However, even though the Bureau had been advised of the change making Pasadena a high-rate geographical area, the travel orders issued to Mr. Goldstein and Ms. Tillmann authorized per diem reimbursement, instead of actual expense reimbursement.

The claimants completed their temporary duty assignments in Pasadena on December 15, 1977. On December 28, 1977, they submitted their travel vouchers, each claiming a per diem allowance at \$35 a day for the first 30 days and \$23 a day for the last 14 days of the assignments. The vouchers were returned for correction with a note stating: (1) that since Pasadena is in the County of Los Angeles (a high-rate locality) the vouchers must be recomputed on an actual expense basis, and (2) that receipts are required for lodgings.

Mr. Goldstein returned both travel vouchers as originally claimed. He stated that neither he nor his wife had been advised prior to departure that Pasadena was a high-rate area, and, therefore, that neither had kept accurate records of expenditures or retained lodgings receipts and that they are unable to itemize or document their expenditures. They requested that both claims be processed, as submitted, on the lodgings-plus, per diem basis. They report that on an average, they spent over the allocated amount on food. They state they have been unable to obtain lodging receipts, although they have attempted to do so, because the motels they contacted would not trace their records for the period in question and they do not recall the names and locations of the other motels in which they stayed.

Section 5702(c) of title 5, United States Code (1976), provides that, in accordance with regulations prescribed by the Administrator of General Services, an employee may be reimbursed for the actual and necessary expenses of official travel when the maximum per diem allowance is determined to be inadequate for travel to high-rate geographical areas designated in the regulations. The implementing regulations appear in the Federal Travel Regulations (FTR) (FPMR 101-7) (May 1973), as amended. During the period Mr. Goldstein and Ms. Tillmann performed

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5702 (c)

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their temporary duty assignments, Temporary Regulation A-11, Supplement 4, dated April 29, 1977, was in effect. However, changes to certain travel allowances, effective for travel performed on or after September 18, 1977, were promulgated to Federal agencies in an addendum to a General Services Administration report entitled "Cost of Travel and Operation of Privately Owned Vehicles." The report and addendum were published in the Federal Register on September 14, 1977 (42 Fed. Reg. 46087). Paragraph 1-8.6, FTR, which subsequently appeared in Temporary Regulation A-11, Supplement 5, dated March 8, 1978, was revised to read, as follows:

"Designated high rate geographical areas.

Pursuant to the provisions of 1-8.1b and 1-8.2a(1), for temporary duty travel to or within the cities designated as high rate geographical areas below, a traveler automatically shall be placed in an actual subsistence expense status and shall be reimbursed for the actual and necessary subsistence expenses incurred not to exceed the maximum rate prescribed for the particular geographical area involved.

<u>"Designated High Rate Geographical Area</u>	<u>Prescribed Maximum Daily Rates</u>
* * * * *	
<u>"Los Angeles, CA (all locations within the county of Los Angeles)"</u>	\$40

Inasmuch as Pasadena is within the county of Los Angeles, California, it became a designated high-rate geographical area effective September 18, 1977.

The initial question for consideration is whether the claimants must be reimbursed under the actual subsistence expense method or whether they may be reimbursed on a per diem basis as provided in their travel orders. Inasmuch as Pasadena was a designated high-rate geographical area during the period Mr. Goldstein and Ms. Tillmann performed the temporary duty assignments, FTR paragraph 1-8.6 requires that they automatically be placed in an actual subsistence expense status and reimbursed for the

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actual and necessary subsistence expenses incurred not to exceed the maximum rate prescribed for Pasadena. However, FTR paragraph 1-8.1b does permit an agency to authorize a per diem allowance in a high-rate area if that would reduce travel expenses, provided that the allowance must be authorized by a high level agency official. Unfortunately the official who signed the travel authorizations of the two employees did not have the delegated authority to authorize per diem in a high-rate area. Thus, the necessary subsistence expenses incurred may only be approved on an actual expense basis and subject to the applicable conditions for reimbursement of actual subsistence expenses. Paragraph 1-8.1e, FTR. See also B-174699, January 18, 1972.

Paragraph 1-8.5, FTR, provides that actual and necessary subsistence expenses shall be itemized in a manner prescribed by the head of the agency which will permit at least a review of the amounts spent daily for lodging, meals, and all other items of subsistence expenses. Receipts for lodging expenses are required. Paragraph 1-8.3, FTR, requires agencies to review actual expenses claimed by travelers to determine whether they are proper subsistence items. Employees are responsible for maintaining a contemporaneous record of expenses incurred incident to official travel and for submitting a voucher itemizing such expenses. Paragraphs 1-11.2 and 1-11.3, FTR. See also 57 Comp. Gen. 367 (1978).

In the instant case, the travel orders issued to the claimants erroneously authorized per diem based on the lodgings-plus method of reimbursement. The officials who issued the travel authorizations were unaware that Pasadena was a designated high-rate geographical area and did not advise Mr. Goldstein and Ms. Tillmann as to the necessity of maintaining accurate records of expenditures and retaining lodging receipts. As a result, the employees did not keep accurate records of expenditures nor retain lodging receipts. The claimants state that they have made attempts to obtain lodging receipts but have been unsuccessful.

With respect to the inability of the claimants to obtain receipts for lodging expenses which they incurred, we note the provisions of paragraph 1-11.1d(1), FTR, which provide:

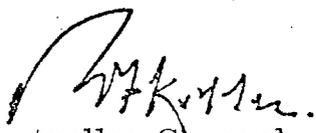
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"Impracticable to obtain. If it is impracticable to furnish receipts in any instance as above required, the failure to do so must be fully explained in the travel voucher. Mere inconvenience in the matter of taking receipts shall not be considered."

Here, there was more than "mere inconvenience in the matter of taking receipts." On the contrary, the claimants did not take receipts for their lodging expenses because they were erroneously advised by agency officials, with competent authority, that they would receive a per diem allowance based on the lodgings-plus method.

Under these circumstances, if Mr. Goldstein and Ms. Tillmann are able to fully explain in their travel vouchers, to the agency's satisfaction, why it is impracticable to furnish receipts for lodging and are able to itemize their subsistence expenses in a manner prescribed by agency regulations which will permit at least a review by the agency of the amounts spent daily for lodging, meals, and other items of subsistence expenses, we would have no objection to reimbursement of the actual expenses incurred by the claimants within the statutory maximum allowable.

The travel vouchers may be processed in accordance with the foregoing.


Deputy Comptroller General
of the United States