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DECISION



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

FILE: B-198981

DATE: July 22, 1980

MATTER OF: Lengthy temporary duty assignments -
reimbursement of brokers' fees to
obtain rental housing

DIGEST:

Employees of HUD's Chicago Regional Accounting Office assigned to temporary duty at New York Regional Office for 6 months for training purposes may be reimbursed under FTR paragraph 1-9.1d for brokers' fees charged for locating rental housing if fees are necessary and sum of fees and rent is less than cost of hotel rooms for same period.

This is in response to a request from the Department of Housing and Urban Development (HUD) for an advance decision as to whether certain employees of HUD, on temporary duty for about 6 months in New York City, for training purposes, may be reimbursed for brokers' fees charged for locating rental housing.

The employees, assigned from HUD's Chicago Regional Accounting Office to the New York Regional Office for training, have been attempting to rent apartments in order to reduce the cost of lodging during their temporary duty assignments which began May 18, 1980, and are expected to last approximately 6 months. The HUD reports that the employees have had difficulty locating suitable apartments without the services of a broker. The brokers' fees are negotiable and range in amount between 1 and 2 months' rent. HUD has informed us that even including the brokers' fees, payment of the usual apartment rents will be less costly than rental of hotel rooms during the same period.

The HUD has asked for our decision in this matter because it has found no specific authority in the Federal Travel Regulations or in prior Comptroller General decisions for payment of brokers' fees in these circumstances. We believe

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that there is authority for reimbursement of the brokers' fees if certain criteria are met.

Although we have never decided a case involving brokers' fees charged for locating a rental apartment in connection with temporary duty, we have decided cases involving fees paid by transferred employees to secure rental housing at their new permanent duty stations. See B-169335, May 22, 1970, and B-177395, March 27, 1973. While B-169335 involved a fee the employee was required to pay for housing in Wiesbaden, Germany, B-177395 involved brokers' fees the employees paid in order to locate housing when they were transferred to New York City. The type of fee in B-177395 was apparently the same type of fee as that in the present case. In those cases we held that since the payment of such fees was an established practice, they could be reimbursed as a part of the miscellaneous expenses allowance paid to transferred employees.

We see no reason why brokers' fees may not be paid to employees on extended temporary duty assignments under the authority of paragraph 1-9.1d of the Federal Travel Regulations (FTR) (FPMR 101-7 (May 1973)). That regulation, which is among those governing reimbursement of miscellaneous expenses to employees traveling on official business, provides as follows:

"d. Other expenses. Miscellaneous expenditures not enumerated herein, when necessarily incurred by the traveler in connection with the transaction of official business, shall be allowed when approved."

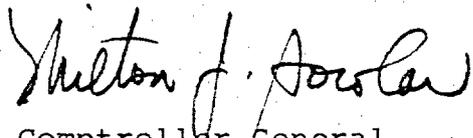
The HUD employees are acting properly in their attempt to reduce their lodgings costs since paragraph 1-1.3a of the FTR requires an employee to exercise the same care in incurring expenses while traveling on official business as a prudent person would when traveling on personal business. In addition, FTR paragraph 1-7.3d requires an agency to reduce per diem for extended stays when travelers are able to secure lodgings and meals at lower costs. Furthermore, we have held, in Willard R. Gillette,

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B-183341, May 13, 1975, that the Government is entitled to the benefits of reduced lodgings costs resulting from rental of quarters for an extended period.

Accordingly, the HUD may reimburse its employees for brokers' fees under FTR paragraph 1-1.9d, if they can show it was necessary to incur those expenses to obtain lower cost lodgings and if the sum of the brokers' fees and the rental cost is less than what they would have incurred for hotel rooms during the same period.

For the


Comptroller General
of the United States