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DECISION

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

FILE: B-215598 **DATE:** January 23, 1985

MATTER OF: Bobbie W. Curtis - Real Estate Expenses - Extension of Time Limit

DIGEST:

An employee entered into a "land sale agreement" in order to sell his former residence at his previous permanent duty station. Claim is denied here since the expenses in question were not incurred until 3 years and 26 days after the employee reported for duty at his new duty station. This is in excess of the maximum allowable period permitted for the completion of real estate transactions, 3 years in this case. Larry W. Day, 57 Comp. Gen. 770 (1978), clarified.

This decision is in response to a request from Mr. Kenneth F. Chute, Finance and Accounting Officer, National Security Agency (NSA), Fort George G. Meade, Maryland. The question presented is whether an NSA employee may be reimbursed for certain otherwise allowable relocation expenses resulting from the sale of his residence at his former duty station where the residence was sold through a "land sale" agreement and the expenses in question were not actually incurred until 3 years and 26 days after he reported for duty at his new duty station. We hold that the employee's claim must be denied since the expenses in question were not incurred within the maximum allowable time period of 3 years.

Mr. Bobbie W. Curtis, an employee of NSA, was authorized permanent change of station (PCS) travel and relocation expenses from his former residence in Shrewsbury, Pennsylvania, to his new duty station in Omaha, Nebraska, by a travel order dated November 7, 1980. He reported for duty in Omaha on January 5, 1981. His former residence was sold through a "land sale" agreement, which was executed on July 20, 1981. In August 1981, NSA paid certain expenses connected with this agreement. However, the "final settlement" for other expenses was not made until January 31, 1984, which was 3 years and 26 days after Mr. Curtis reported for duty in Omaha, Nebraska. These

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other expenses for which Mr. Curtis seeks reimbursement amount to $917.35, consisting of $167.35 for costs of transfer of deed, and $750 for the transfer tax. The agency does not dispute the difficulties that Mr. Curtis had in selling his former residence, which was also a reason for using a "land sale" agreement. Consequently, under the provisions of Joint Travel Regulations, vol. 2, para. C14000-2 (Change No. 208, February 1, 1983), (JTR), NSA granted Mr. Curtis an extension of time to complete his real estate transactions to January 5, 1984. See also paragraph 2b of GSA Bulletin FPMR A-40, Supplement 4, August 23, 1982, which is the basis for the above JTR provision.

Our decisions regarding what are variously referred to as "land sale agreements," "land sale installment contracts," or "contracts for deed" are applicable since such contractual arrangements typically involve transfer of the deed only after full payment of the purchase price by installments over a period of time, as is the case here. Drawing on the common law notion of equitable conversion, we have held that the transfer of equitable ownership of property which is effected through a valid land sale contract amounts to a "purchase" for purpose of reimbursement. Larry W. Day, 57 Comp. Gen. 770 (1978), citing Larry J. Light, B-188300, August 29, 1977. In this case, although legal title to the property was retained by the seller (Mr. Curtis), the effect of the contract was to transfer equitable ownership of the property to the buyer. Thus, the "settlement date" involved in this transaction was the date the contract was executed, namely, July 20, 1981. See Larry J. Light, B-188300, supra, at 3.

The question which arises is whether Mr. Curtis' expenses may be considered as having been incurred within the time period allowed for reimbursement. See Larry W. Day, 57 Comp. Gen. 770, 772 (1978). Based on the rationale that all employees should be treated uniformly, Day held that an employee who enters into a "contract for deed" transaction may only be reimbursed for real estate expenses incurred within 2 years of the date of his transfer, i.e., the date on which he reported to his new permanent duty station.

The 2-year period was used in Day because, under the then existing version of paragraph 2-6.1e of the Federal Travel Regulations, the maximum time period that could be

allowed for the completion of real estate transactions was 2 years. We note, however, that in Mr. Curtis' case the maximum 2-year time limit of the earlier version of the Federal Travel Regulations, FPMR 101-7 (September 1981) (FTR), could be and was extended to a maximum of 3 years because of a subsequent change in the FTR. The new provisions permitting an extension of the 2-year time limitation for completion of residence transactions to 3 years, were added to FTR para. 2-6.1e by GSA Bulletin FPMR A-40, Supplement 4, August 23, 1982, and were effective for employees whose 2-year entitlement period had not expired prior to August 23, 1982. See paragraph 2b of GSA Bulletin FPMR A-40, Supplement 4, August 23, 1982. Accordingly, the time allowable for employees in Mr. Curtis' situation is a maximum of 3 years. Larry W. Day, 57 Comp. Gen. 770 (1978), which allowed only a maximum of 2 years, is thus clarified to recognize that the period for incurring reimbursable expenses in a "land sale" or "contract for deed"-type case is the maximum time period permitted for the completion of real estate transactions under the applicable provisions of the Federal Travel Regulations.

In the present case, since the expenses for which Mr. Curtis seeks reimbursement were incurred after January 5, 1984 (3 years from the date on which he reported to his new permanent duty station), they were not incurred within the applicable maximum time limitation of 3 years. Thus, these expenses are not reimbursable.

Accordingly, the voucher submitted by Mr. Curtis will be retained in this Office and may not be certified for payment.

for Milton J. Socolar
Comptroller General
of the United States