

**DECISION**

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

Maguire  
PUM-II  
129057

FILE: B-219477

DATE: February 11, 1986

MATTER OF: Jerome R. Serie

**DIGEST:**

Employee of the Department of Interior requests reimbursement of temporary quarters subsistence expenses incurred in connection with his occupancy of lodgings furnished by a coworker. Although the employee claims that the lodgings were not furnished on the basis of a friendship between the two, applicability of the rules for reimbursement for temporary quarters does not depend upon the relationship between the employee and the person supplying the lodgings. When the lodgings are provided in a personal residence by a host who does not have a history or make a practice of renting out accommodations in his private home, the employee's claim should be supported by information indicating that the lodging charges reflect expenses incurred by the host.

This action is in response to a request for an advance decision from the U.S. Department of the Interior, Fish and Wildlife Service, regarding the claim of Jerome R. Serie for temporary quarters subsistence expenses in conjunction with his change of permanent duty station.<sup>1/</sup> Upon transferring to a new duty station, Mr. Serie entered into an agreement under which he was provided temporary lodgings and meals in the home of a fellow employee.

The issue presented is whether the agency, in reliance on receipts presented by the employee, may pay him a temporary quarters subsistence expenses allowance based on

---

<sup>1/</sup> The request was made by Edward L. Davis, Assistant Director, Fish and Wildlife Service, U.S. Department of the Interior, Washington, D.C.

lodging costs of \$22.50 per day and meal costs totaling as much as \$15.10 per day. The agency's doubt in this matter relates to whether the standards of reasonableness applied by this Office in cases involving temporary lodgings and meals furnished by friends or relatives are applicable to noncommercial lodgings and meals which the employee claims were not furnished on the basis of a friendship. It is our view that, regardless of the nature of the relationship between the employee and the host, claims involving noncommercial lodgings and meals must meet the standards of reasonableness applied to lodgings and meals furnished by friends or relatives unless the host has a history or makes a practice of providing accommodations in his residence on a fee basis consistent with the charges for which reimbursement is claimed.

Mr. Jerome R. Serie, an employee of the Fish and Wildlife Service, U.S. Department of the Interior, was transferred from Jamestown, North Dakota, to Laurel, Maryland. After arriving in Maryland on April 25, 1984, and exploring costs of commercial lodgings in the Laurel area, Mr. Serie states that he approached Mr. Matthew C. Perry, a fellow employee at the Fish and Wildlife Service, about renting out part of Mr. Perry's private residence as temporary lodgings.

After Mr. Perry discussed the matter with his family, he and Mr. Serie agreed to an arrangement whereby Mr. Serie would pay \$22.50 per day for lodgings. In addition he agreed to pay for meals based on the direct cost of food plus preparation.

Mr. Serie provided hand-written receipts for lodging and meal expenses with his claim. The Department of the Interior paid the claimed amounts for the first two 30-day periods that Mr. Serie occupied temporary quarters. However, upon discovering that Mr. Serie was residing in the home of a fellow employee, rather than a commercial establishment, the agency withheld payment of his claim for yet a third period and has requested an advance decision from us on the propriety of paying these expenses.

Pursuant to 5 U.S.C. 5724a(a)(3) (1982), a transferred employee may be authorized subsistence expenses for himself and his family while occupying temporary quarters at the new station. Applicable regulations are found in the

Federal Travel Regulations (FTR), para. 2-5.1, et seq., FPMR 101-7, September 1981, as amended, Supp. 4, August 23, 1982, incorp. by ref., 41 C.F.R. § 101.7003 (1984). Under these regulations, temporary quarters may be obtained from either private or commercial sources. Employees may be reimbursed for temporary quarters and subsistence expenses which are actually incurred and are reasonable as to amount. See FTR para. 2-5.2c and 2-5.4.

In cases where an employee occupies temporary quarters in a private residence we have allowed reimbursement for rental or lodging charges where they are considerably less than charges for commercial accommodations and reflect additional costs actually incurred by the host. More often than not, these cases have involved accommodations and meals furnished by friends or relatives. In 52 Comp. Gen. 78, 82 (1972) we pointed out that it does not seem reasonable or necessary for employees to agree to pay friends and relatives the same amounts they would pay for lodging in motels or meals in restaurants or to base payments to friends or relatives on the maximum amounts that may be paid as temporary quarters subsistence expenses.

The types of expenses incurred by one who provides lodgings in his private home are not the same as those incurred by a commercial establishment. In general, the expenses incurred by an individual in accommodating another in his private home are similar to those he incurs in maintaining that home for his and his family's use. The presence of a guest might increase his use of utilities and the wear and tear on household furnishings. However, the host does not incur many of the expenses incurred by a commercial establishment, such as license fees, salaries of reservation personnel, advertising, etc. Therefore, while a private host may be inconvenienced and may incur some additional expenses in providing lodgings, we are unable to agree with the view that the cost of commercial lodging reflects a fair standard of compensation. Allen W. Rotz, B-190508, May 8, 1978.

Regardless of the character of the relationship between the employee and his host we have consistently held that claims involving noncommercial lodgings should be supported by information indicating that the lodging charges are the

result of expenses incurred by the party providing the lodging. 55 Comp. Gen. 856 and Constance A. Hackathorn, 3-205579, June 21, 1982. In Constance A. Hackathorn, an employee rented a room in the private residence of an acquaintance of a friend. We found that the applicability of the rules for reimbursement did not depend upon the relationship between the employee and the person supplying the lodgings, but upon whether the quarters were furnished as a business proposition or whether they were furnished as a personal accommodation to the employee. We noted that the best evidence that a purely business arrangement is involved would be evidence of a continuing practice of the homeowner renting out the room for an established price.

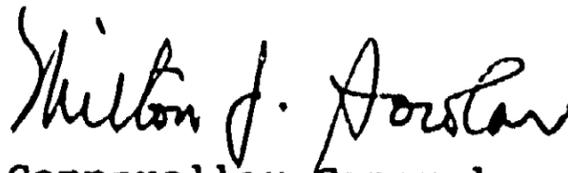
Stating this rule in terms of obtaining lodgings from friends or relatives is misleading. As held in Hackathorn we do not consider that such relationship will govern. In fact it would be impossible for us to determine whether a friendship exists in any given case. Thus, this rule has been applied when employees occupy quarters in private residences, not in commercial establishments.

In this case, there is no evidence that Mr. Serie's coworker and host made a practice of renting out space in his private residence or, in fact, that he did so prior to or after this arrangement with Mr. Serie. In the absence of such evidence the charges must be considerably less than for commercial accommodations and supported by information indicating that they were the result of expenses incurred by Mr. Perry in providing the lodging. In this case we note that the daily rental rate of \$22.50 claimed by Mr. Serie is only a few cents a day less than the rental rate for a furnished apartment which Mr. Serie has indicated he could have rented without signing a 1-year lease. This fact alone raises a serious question about the reasonableness of the amount claimed since there is no indication that \$22.50 a day reflects additional costs occasioned by Mr. Serie's occupancy.

With regard to the meals purchased, Mr. Serie states that meals were to be charged at direct cost plus preparation. On a daily basis he has claimed amounts totaling as much as \$15.10 for breakfast, lunch and dinner. There

is no explanation of how these costs were calculated which would provide the agency with information to make a determination that the meal costs were reasonable under the circumstances.

In conclusion, we find that the agency was correct to question whether payment was proper. It is our view that there is insufficient information in the record to allow payment of the claim since the record shows that lodgings were provided to the employee in a private residence and not as a continuing business of the individual whose residence was occupied. Accordingly, Mr. Serie's claim is denied.

*for*   
Comptroller General  
of the United States