



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Walter E. Murphy, Jr. - Temporary Quarters
Subsistence Expenses
File: B-226362
Date: November 23, 1987

DIGEST

Employee of the Veterans Administration is not entitled to temporary quarters subsistence expenses while renting and occupying the house he intends to purchase as his family's residence at his new duty station. His intent during the period for which he claims temporary quarters subsistence expenses was to occupy the house permanently. The fact that its purchase was subject to approval of financing based upon his wife's obtaining employment does not change its character as the employee's permanent quarters. Savings to the Government may not serve as a basis for holding otherwise.

DECISION

An employee claims temporary quarters subsistence expenses for the period which he and his dependents rented and occupied the house they purchased after their mortgage loan was approved in August 1985.^{1/} We conclude that the employee may not be paid since he intended to purchase the residence from the time he moved in and, therefore, it was not temporary quarters.

Mr. Walter E. Murphy, an employee of the Veterans Administration, was transferred from New Orleans, Louisiana, to Dublin, Georgia, with a July 9, 1985, reporting date. He has claimed temporary quarters subsistence expenses for the period July 10, 1985, through August 7, 1985, in the amount of \$1,263.35.

Mr. Murphy indicates that he and his wife signed a purchase agreement for a residence in Dublin, Georgia, in June 1985. A loan application was filed within the next week for the purchase of this house. Mr. Murphy was notified by the lender that the application would not be considered until

^{1/} Mr. Conrad R. Hoffman, Director, Office of Budget and Finance (Controller), Veterans Administration, has requested a decision on the claim.

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his wife obtained employment in Dublin, Georgia. On July 5, 1985, Mr. Murphy entered into a "move-in agreement" with the seller which allowed the Murphys to occupy the residence on a rental basis pending approval of the loan and completion of closing on the purchase. Household goods were moved into the same house on July 10, 1985.

Mr. Murphy states that by occupying the house instead of a motel he saved the Government the additional expense of a motel and some of the expense of temporary storage of household goods. He also contends that since the loan was not approved until August 1, 1985, he considered the residence temporary quarters.

The statutory authority for reimbursement of temporary quarters subsistence expenses is 5 U.S.C. § 5724a(a)(3) (1982), which is implemented by Part 2-5 of the Federal Travel Regulations (Supp. 10, effective November 14, 1983), incorp. by ref., 41 C.F.R. § 101-7.0003. The applicable provision, paragraph 2-5.2c, defines temporary quarters as follows:

"c. What constitutes temporary quarters.

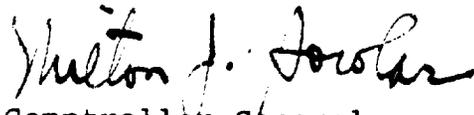
Generally, the term 'temporary quarters' refers to lodging obtained from private or commercial sources for the purpose of temporary occupancy after vacating the residence occupied when the transfer was authorized. However, occupancy of temporary quarters that eventually become the employee's permanent residence shall not prevent payment of the temporary quarters allowance if, in the agency's judgment, the employee shows satisfactorily that the quarters occupied were intended initially to be only temporary. In making this determination the agency should consider factors such as: the duration of the lease, movement of household effects into the quarters, type of quarters, expressions of intent, attempts to secure a permanent dwelling, and the length of time the employee occupies the quarters."

We have long held that when employees pay rent for and occupy homes they intend to purchase, those homes are not temporary quarters as defined by the Federal Travel Regulations and the employees are therefore not entitled to reimbursement of temporary quarters subsistence expenses. Stephen A. Webb, B-211004, May 23, 1983. The employee's

intent is determined at the time he or a member of his family moves into the quarters which later become his permanent residence. William E. Palzkill, B-205866, May 18, 1982. When an employee moves into a house he has decided to purchase, even though final settlement of the house has not yet taken place, he has ceased to occupy temporary quarters. This is so even if the occupancy of the purchased quarters results in a savings to the Government. William E. Palzkill, and Stephen A. Webb, supra. In this regard the temporary quarters subsistence expense reimbursement is designed to reimburse an employee for the expense he incurs while obtaining a permanent residence, and it is his obligation to do so in a reasonably expeditious manner so as not to incur unnecessary expense for the Government.

Mr. Murphy has indicated that it was his intent to acquire the quarters as his family's permanent residence at the time they commenced occupancy. Although failure to receive approval of the loan until his wife could obtain employment may have delayed Mr. Murphy's purchase of the residence, this circumstance does not affect the determination that clearly his intent was to purchase the home. See Kenneth O. Dudley, B-205394, April 26, 1982; Anders E. Flodin, 64 Comp. Gen. 674 (1985).

Accordingly, Mr. Murphy's claim may not be paid.

for 
Comptroller General
of the United States