



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: James T. Faith - Real Estate Appraisal Cost -
Relocation Service Contract

File: B-229452

Date: June 10, 1988

DIGEST

A transferred employee incurred an expense to have his old residence appraised before trying to sell it himself. He later used the services of a relocation company under contract to his agency, and he claimed reimbursement for the cost of the earlier appraisal. Paragraph 2-12.5b of the Federal Travel Regulations prohibits reimbursement to an employee for any personally incurred real estate expenses that are similar or analogous to any expenses the agency is required to pay to a relocation company. Since the relocation company had the property appraised as part of their contract to purchase the residence from the employee, which service was paid for by the agency, the employee may not be reimbursed his appraisal costs.

DECISION

This decision is in response to a request from an Authorized Certifying Officer, Bureau of Reclamation, Department of the Interior. It concerns the entitlement of one of its employees to be reimbursed a real estate appraisal fee incident to a permanent change of station in June 1986. We hold that he is not entitled to reimbursement for the following reasons.

BACKGROUND

Mr. James T. Faith, an employee of the Bureau of Reclamation, was transferred from Miles City, Montana, to Yakima, Washington, effective June 22, 1986. As part of the process of attempting to market his residence himself, he secured an appraisal of the property at a cost of \$125. He later chose to use the services of a relocation company under contract with the Bureau of Reclamation. As part of the relocation company's procedure, they also had the property appraised and on October 22, 1986, made an offer to Mr. Faith to purchase his residence. Following Mr. Faith's acceptance of the offer, the relocation company submitted

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its expense bill to the Bureau of Reclamation in the amount of \$10,449.94, and that bill was paid on February 24, 1987.

In July 1987 Mr. Faith submitted a voucher for real estate expense reimbursement. He included in the voucher a claim for the cost he incurred for the appraisal of his residence. That expense was disallowed by his agency and on appeal has been submitted here.

RULING

Section 5724c of title 5, United States Code, authorizes federal agencies to enter into contracts to provide relocation services to transferring employees including, but not limited to, the making of arrangements for purchase of an employee's residence at his old duty station. The regulations implementing this section are contained in Part 12 of Chapter 2, Federal Travel Regulations (FTR), FPMR 101-7, incorp. by ref., 41 C.F.R. § 101-7.003 (1986), as amended by Supp. 11, July 25, 1984. Paragraph 2-12.5 of the FTR provides, in part:

"2-12.5 Procedural requirements and controls.

. . . .

"b. Dual benefit prohibited. Once an employee is offered, and decides to use, the services of a relocation company, reimbursement to the employee shall not be allowed for expenses authorized under Chapter 2, Parts 1 through 10, that are analogous or similar to expenses or costs for services that the agency will pay under the relocation service contract."

The customary cost of a marketing appraisal incurred by a transferring employee is reimbursable under FTR para. 2-6.2b. However, under the above language, where an obligation has been incurred by an agency to reimburse expenses to a relocation service, any expenses incurred by an agreeing employee in connection with the residence to be sold and which are analogous to or duplicative of expenses for services performed by the relocation company may not be reimbursed. According to the documents in the present case, one of the necessary services performed by the relocation

company and included in their service fee was the cost of securing an appraisal. In view thereof, Mr. Faith may not be reimbursed for his cost of securing a similar appraisal.

Milton J. Auster
for Comptroller General
of the United States