



Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Ron C. Smith
File: B-255520
Date: February 23, 1994

DIGEST

1. An employee whose household goods are authorized to be moved by the GBL method incident to his transfer but who chooses to make his own arrangements for household goods movement may be reimbursed his "actual expenses," which include the reasonable cost of laborers to help with the move. When an agency responsibly determines what that reasonable cost is and declines to reimburse the employee based on a higher per-hour cost plus charges for the laborers' travel, lodging, and meals, the General Accounting Office will not disturb the agency's determination.

2. Since it is the policy of the government to assume its own risks of loss, an employee who made his own arrangements to move his household goods may not be reimbursed the costs of insurance on a vehicle he leased to transport his household goods and insurance on the household goods themselves.

DECISION

The issues in this case are whether an employee who made his own arrangements to move his household goods incident to his transfer may be reimbursed more than what the agency found to be the reasonable costs for laborers to help with the move and whether he may be reimbursed the insurance costs he paid on the leased vehicle he used to transport his household goods and the insurance costs on the goods themselves. We conclude that the employee may not be reimbursed more than what the agency has determined to be the reasonable costs for laborers and that he may not be reimbursed his insurance costs.

BACKGROUND

Mr. Ron C. Smith, an employee of the Bureau of Reclamation, Department of the Interior, transferred from Phoenix, Arizona, to Boulder City, Nevada, in February 1993. Although Mr. Smith was authorized to have the low cost GSA-approved commercial mover transport his household goods

under the GBL method, he chose to make his own arrangements for transporting his household goods by leasing a truck and hiring laborers to assist him with the move. The travel office advised him before the move that it was not to his advantage to move his household goods himself, and that if he did so he would only be reimbursed for actual expenses based on receipts for such items as packing materials, equipment rental, gasoline, and rental of a "U-Haul" type vehicle. He was also advised that family members should not be used for moving assistance since reimbursement for their services is not reimbursable. In addition, he was told that reimbursement for persons hired to assist him could be only his actual expenses for such assistance, but not in excess of reasonable amounts based on what commercial carriers would pay for such labor.

After the move, Mr. Smith submitted a voucher claiming reimbursement for laborers at a rate of \$18 an hour (totaling \$1,764) plus charges for their mileage of \$87, lodging of \$20.52, and food of \$156.

The Bureau surveyed the area's moving companies and determined that the current rate for casual labor for moving assistance was \$10 an hour. It considered this to be a reasonable cost, and on that basis, it allowed \$980 of the \$1,764 claimed on an hourly basis but disallowed \$784 as excessive. It also disallowed the additional amounts claimed for the laborers' mileage, lodging, and food allowances. In addition, it disallowed the \$60 Mr. Smith claimed for insurance on the leased truck and the household goods while in transit. Mr. Smith disagreed with the disallowances and asked the Bureau to submit the matter to us for decision.

OPINION

When an employee, such as Mr. Smith, is authorized to ship his household goods to his new duty station under the GBL method but chooses to move the goods himself, he is entitled to be reimbursed the "actual expenses" he incurs for such items as truck rental, gasoline, and tolls, not to exceed what it would have cost the government to move the goods by the low cost GSA-approved contract carrier under a GBL. 41 C.F.R. § 101-40.203-2(d). An employee's reimbursement may include the actual cost incurred for labor to help the employee pack and load household goods when appropriate evidence is furnished to substantiate that payment was actually made pursuant to an arm's-length contract. Compare Michael L. Smiley, B-226189, Dec. 9, 1988. Of course, as with any amount reimbursed to an employee for travel and transportation costs, the amount must be reasonable regardless of whether the payment is within the maximum

reimbursement available to the employee. Faustino W. Lopez, B-232600, Aug. 3, 1989.

In regard to whether an actual cost to an employee (such as the costs for the laborers in this case) is reasonable and may be reimbursed, we have held that it is the responsibility of the agency to make the initial determination, and we will not disturb that determination unless it is clearly erroneous or arbitrary and capricious. Faustino W. Lopez, supra. The Bureau of Reclamation has made the determination in this case, based on its survey of costs for such labor, that \$10 an hour is the reasonable cost for laborers in this case. This is consistent with the general advice the Bureau gave Mr. Smith concerning the limitations applicable to amounts which could be reimbursed. Accordingly, we do not find that the Bureau's determination to limit reimbursement for labor to \$10 per hour and to deny reimbursement for the additional costs claimed for laborers' travel, lodging and meals to be erroneous or arbitrary and capricious. This is so even though the total amount claimed may be less than a commercial carrier would have charged to move the goods.

As to the \$60 the Bureau disallowed for insurance, there is no indication that the insurance was required by law or regulation. In such circumstances, since it is the policy of the government to assume its own risks of loss, and ultimately reimburse the employee up to the deductible amount for damage to the vehicle or household goods, there is no basis to reimburse Mr. Smith for any part of the \$60. Berry T. Kuntz, B-215614, Apr. 18, 1985.

Accordingly, the agency's disallowance of these claims is sustained.

Robert P. Murphy

Robert P. Murphy
Acting General Counsel