

DECISION



8260 J.D. MacLeod
THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

FILE: B-163425

DATE: November 7, 1978

MATTER OF: Allowances for expenses incurred in
connection with residence transactions

DIGEST: An employee who is transferred may be reimbursed for similar or identical expenses with respect to real estate transactions at the new as well as the old official duty station, if otherwise allowable. In both instances they must be expenses that are customarily paid by the seller at the old station and by the purchaser at the new station, not to exceed the amounts customarily paid in the locality of the residence being sold or purchased.

This action is in response to a letter from James M. H. Gregg, Assistant Administrator, Office of Planning and Management, Law Enforcement Assistance Administration (LEAA). Under 31 U.S.C. 82d (1970), he requests our decision regarding the present applicability of our decision B-163425, February 29, 1968. That opinion interpreted section 4.2d of the Bureau of the Budget Circular No. A-56 and held that an employee could be reimbursed for real estate expenses at the old duty station or at the new station but could not be reimbursed for the same type of costs at both locations.

Circular No. A-56 has been superseded by the Federal Travel Regulations (FPMR) 101-7, effective May 1, 1973. Allowances for expenses incurred in connection with residence transactions are presently found in Part 6, Chapter 2 of FPMR 101-7. Miscellaneous expenses are covered by paragraph 2-6.2d and generally cover those expenses previously enumerated in paragraph 4.2d of Circular No. A-56. As noted in the submission the restrictive language of paragraph 4.2d does not appear in any of those provisions contained in Part 6, Chapter 2 of FPMR 101-7.

The deletion of that restriction was effective June 26, 1969, under Bureau of the Budget Circular No. A-56, Transmittal Memorandum No. 5. In the digest of changes contained in that Transmittal Memorandum the following explanation is included:

"The limitations in 4.2 that 'same types of costs are not reimbursable at both locations' have

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been generally deleted, and provisions are added to require that reimbursable expenses must be for costs that are customarily paid in comparable situations in the locality."

Thus, miscellaneous expenses are limited by the language of paragraph 2-6.2d which provides that:

"* * * with respect to the sale and purchase of residences if they are customarily paid by the seller of a residence at the old official station or if they are customarily paid by the purchaser of a residence at the new official station, to the extent they do not exceed amounts customarily paid in the locality of the residence: * * *" (Emphasis added.)

Therefore, similar or identical expenses with respect to real estate transactions may be paid at the new as well as the old station, if otherwise allowable. In both instances they must be expenses that are customarily paid by the seller at the old station and by the purchaser at the new station not to exceed the amounts customarily paid in the locality of the residence being sold or purchased.

In view of the above, the decision B-163425, supra, applies only to residence sale and purchase transaction which were subject to paragraph 4.2d of Bureau of the Budget Circular No. A-56 before the amendments discussed above became effective on June 26, 1969.

Deputy


Comptroller General
of the United States