



The Comptroller General  
of the United States

Washington, D.C. 20548

## Decision

Matter of: Master Sergeant - Credit Card  
Purchases Overseas - Exchange Rate

File: B-229221

Date: August 29, 1989

### DIGEST

A military member on temporary duty in Germany used his personal credit card to charge the cost of renting automobiles for official business on three occasions. He received invoices stating the cost in Deutsche Marks and U.S. dollars and was reimbursed the dollar amounts stated. His credit card company billed him more than the dollar amounts on the invoices because it used a different exchange rate than did the automobile rental company. Since the member incurred the rental costs in Deutsche Marks, he should be reimbursed consistent with the general practice for reimbursing a traveler on official duty overseas for charge transactions. Under the general practice, reimbursement is based on the accepted exchange rate, usually the New York foreign exchange selling rate (New York exchange rate) as of the dates of the charge transactions.

### DECISION

A Department of the Army disbursing officer requests an advance decision regarding whether Master Sergeant [redacted] is entitled to be reimbursed \$403.71 in additional expenses he incurred for rental of automobiles while on temporary duty in West Germany when his credit card company billed him on the basis of a different exchange rate than that used by the automobile rental company.<sup>1/</sup> As will be explained below, Sergeant [redacted] should be reimbursed on the basis of the New York exchange rate for the date of the

<sup>1/</sup> The request was originated by Major H. S. Peoples, Finance and Accounting Officer, Headquarters, U.S. Army Engineer Center and Fort Belvoir, Ref. ATZA-CMA (340a). It was forwarded to us by the Per Diem, Travel and Transportation Allowance Committee, which assigned it Control Number 87-19.

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charge transaction, regardless of the exchange rate used by the rental car company or credit card company.

#### BACKGROUND

In November 1986, March 1987, and May 1987, Sergeant performed temporary duty in West Germany under appropriately issued travel orders which included authority to use a rental car. He received a travel advance for each of the three periods of temporary duty. Sergeant rented motor vehicles from a rental car company during each of the three periods of temporary duty and used his personal American Express card to charge the costs of the motor vehicles.

When Sergeant sought reimbursement for his travel expenses, he submitted copies of his invoices and charge slips for the automobiles he rented. Each bill stated the cost in both Deutsche Marks and United States dollars based on a stated conversion rate. He was reimbursed the dollar amounts stated on each bill.

When he later received his American Express statements for each of the rentals, he was billed for dollar amounts in excess of those stated on his charge slips from the automobile rental company. The American Express statements were higher because American Express used a different exchange rate in converting Deutsche Marks to dollars than did the automobile rental company. For example, the automobile rental company converted the March 1987 rental cost of 980.71 Deutsche Marks to United States dollars on the basis of an exchange rate of 2.01 Deutsche Marks per dollar. American Express used an exchange rate of 1.80 Deutsche Marks per dollar.

For March and May 1987 Sergeant was billed an additional \$190.01. The November 1986 American Express statement was for \$213.70 more than the automobile company invoice; however, only \$11.07 was due to the different exchange rate used by American Express.<sup>2/</sup>

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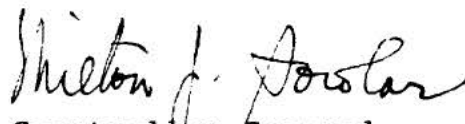
<sup>2/</sup> The balance was due to American Express charging the claimant for 372.82 more Deutsche Marks than were stated on the invoice given him by the car rental company. Since the record does not describe what those additional charges represented, we are limiting our consideration of this claim to \$11.07.

OPINION

The Army Finance Office suggests that the present case is analogous to cases in which employees converted travel advances to a foreign currency and, upon reconversion to U.S. dollars, suffered a loss due to a change in the conversion rate of that foreign currency. As a general rule, the risk of incurring a loss (or realizing a gain) due to fluctuating currency exchange rates falls on the individual assigned to temporary duty in a foreign country. See 23 Comp. Gen. 212 (1943); \_\_\_\_\_, 63 Comp. Gen. 554 (1984).

The cases regarding currency conversions are inapplicable here. Sergeant \_\_\_\_\_ did not convert any funds when he charged the costs for renting the automobiles. Merely because this automobile rental company stated an exchange rate and dollar equivalent which, we presume, it would have used had payment been made in cash, we do not find that Sergeant \_\_\_\_\_'s reimbursement should be limited to that exchange rate or its dollar equivalent because he chose to use his credit card. He should be reimbursed in accordance with the usual practice based on the exchange rate for the day the charge was incurred. According to an official of the Per Diem, Travel and Transportation Allowance Committee, the usual practice is to reimburse a traveler who charges his expenses by converting the foreign currency charges on the basis of the New York exchange rate for the date of the transaction.

Accordingly, Sergeant \_\_\_\_\_ claim should be settled based on the published exchange rates applicable on the dates of the charge transactions.

*for*   
Comptroller General  
of the United States