



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: Dr. Dietrich A. Volmer

File: B-261440

Date: September 9, 1996

DIGEST

Certification of payment is disallowed for currency exchange losses, fees, and handling charges incurred by an individual on official government travel within the United States involving the use of his personal credit card issued by a foreign bank since the use of such a card is a matter of personal convenience and not directly related to official travel. Additionally, as a general rule, the risk of incurring an exchange loss upon converting currency for the purpose of official travel lies with the individual, whether the loss is incurred in a foreign country or in the United States.

DECISION

This advance decision is made at the request of Wayne S. Bladen, an authorized certifying officer, Office of Financial Management, Food and Drug Administration, Department of Health and Human Services, to determine whether he may certify for payment of certain expenses resulting from the use of a private credit card incurred by a nongovernment employee, Dr. Dietrich A. Volmer, pursuant to officially authorized travel to his temporary duty station in Los Angeles, California, from February 27, 1995, through March 25, 1995. Dr. Volmer was a postdoctoral fellow appointed under the Oak Ridge Institute for Science and Education (ORISE) program of the Public Health Service, Department of Health & Human Services. As a nongovernment employee, agency policy determined that he could not be issued a U.S. government credit card. Otherwise, the ORISE travel policy explicitly provided that travel benefits to these nongovernment employees would be comparable to those of government employees.

BACKGROUND

From February 27, 1995, through March 25, 1995, Dr. Volmer and another colleague were assigned to temporary duty in Los Angeles, California, from their permanent duty station in Arkansas. Dr. Volmer chose to rent an apartment in Marina del Rey during this period, rather than stay in a hotel. Since Dr. Volmer was not authorized a government credit card, he applied for a cash advance. Although the advance was

promised him on Friday, February 24, just prior to his departure, it was not available at that time. Consequently, he indicates he could not deposit it into his bank until Wednesday, February 28, 1 day after his arrival in California.

Dr. Volmer states he did not have enough cash on hand to prepay the apartment where he chose to reside during his temporary duty assignment, and the apartment managers insisted on 1 month's prepayment of \$2,350 for stays lasting less than 1 month, as was the case here. Dr. Volmer states that since the existing credit limit on his Visa card, apparently drawn on a U.S. bank, was not enough to handle this expense, he decided to charge the amount to his German Mastercard. In addition to the amount charged, the German bank issuing the Mastercard added a 1% fee for payments in currencies other than marks (in this case, U.S. dollars) and handling charges. Dr. Volmer also incurred currency losses due to the fact that the German mark exchange rate increased from 1.38 to almost 1.47 to the U.S. dollar in the short interval between the time the charge was made and Dr. Volmer sent in his credit card payment. As a result, Dr. Volmer incurred additional costs of \$180.75 for fees, handling charges, and exchange rate losses as a result of using his German Mastercard while on temporary duty in Los Angeles. The authorized certifying officer requests an advance decision concerning the propriety of this payment.

ANALYSIS

Under Section 5706 of Title 5, United States Code, only actual and necessary expenses incurred by government employees traveling on official business away from their duty stations may be allowed. Implementing the statute, the Federal Travel Regulation (FTR) (41 C.F.R. Part 301-9) further authorizes the payment of certain miscellaneous expenses which may be incurred by employees in the performance of their duty. For example, allowable miscellaneous expenses may include the cost of travelers checks purchased in connection with an employee's official travel. (41 C.F.R. § 301-9(c)).

As a general rule, the risk of incurring an exchange loss upon converting currency advanced for the purpose of temporary duty in a foreign country lies with the employee or member. An individual who receives a travel advance in U.S. dollars and who chooses to convert all or a portion of the advance into a foreign currency, for whatever reason and by whatever means, is generally liable for any losses he incurs due to a currency devaluation. By the same token, he is not responsible to account for any gain he may realize as the result of a favorable rate of exchange. Sergeant First Class Lindsay C. Harrington, B-222267, October 10, 1986. See also Chester M. Purdy, 63 Comp. Gen. 554 (1984).

The use of a private credit card drawn on a foreign bank, and thus involving currency losses on the exchange of funds at that particular time, was Dr. Volmer's own decision and was not a U.S. government requirement. Nor was it a

requirement that he rent this particular apartment with prepayment obligations rather than another one for the time spent on temporary duty in Los Angeles.

We have stated that use of a personal credit card is a matter of personal convenience and not directly related to official travel. An individual on official travel using a private credit card is not obligated to account to the government for any cash or credit rebate he receives for such use of his card and such rebates are not the property of the government. Richard E. Stuart, 72 Comp. Gen. 252 (1993). Similarly, any losses incurred by an individual regarding the use of such card are not the responsibility of the government. While the FTR at 41 C.F.R. § 301-9.1(c)(1) permits reimbursement for commissions for the conversion of currency when foreign travel is involved, the expenses here were caused by the use of the foreign credit card, not foreign travel. The individual was on temporary duty in the United States from his permanent duty station, which was also in the United States.

The choice of payment mechanism in this case was personal on the part of the individual. See Department of Transportation--Inspector General--Bonus Points for Use of Personal Credit Cards for Certain Travel Expenses, B-270423, July 1, 1996. Just as the government should have no claim to any discounts or rebates which might accrue to an individual on official travel through the use of a personal credit card, it also would not be obligated to reimburse that individual for any finance charges or annual fees incurred incident to the use of a personal credit card in connection with official travel. Use of Discover Charge Cards, B-236219, May 4, 1990.

Applying these criteria to the case at hand, we would object to certification of payment for currency exchange losses, fees, and handling charges incurred by an individual on official government travel within the United States involving the use of his personal credit card issued by a foreign bank since the use of such a card is a matter of personal convenience and not directly related to official travel. Additionally, as a general rule, the risk of incurring an exchange loss upon converting currency for the purpose of official travel lies with the individual, whether the loss is incurred in a foreign country or in the United States.

/s/Seymour Efros
for Robert P. Murphy
General Counsel