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DECISION

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

FILE: B-186003

DATE: OCT 4 1976

MATTER OF: Glenn A. Kovar -- Real estate expenses

DIGEST: Claim of employee seeking reimbursement for real estate expenses incident to purchase of residence upon transfer who did not complete settlement prior to time limit in Federal Travel Regulations is denied, notwithstanding fact that contracts pertaining to purchase of land and construction of house were signed within time limit, since such contracts do not constitute "settlement" within contemplation of regulations.

This action is in response to a letter dated February 26, 1976, from Ms. Orris C. Huet, Authorized Certifying Officer, Department of Agriculture, requesting an advance decision concerning the propriety of making payment on a voucher in the amount of $1,593.90 for real estate expenses claimed by Glenn A. Kovar, an employee of the Forest Service of the Department of Agriculture.

Pursuant to Travel Authorization No. 13-91-106 dated February 9, 1973, Mr. Kovar transferred from his official station in Pasadena, California, to a new official station in Washington, D.C., where he reported for duty on March 25, 1973.

By contract signed on March 17, 1975, Mr. Kovar entered into an agreement to purchase a parcel of land in Annapolis, Maryland. On March 22, 1975 he contracted for the construction of a house on this land. The record shows that the settlement for Mr. Kovar's new residence occurred on June 17, 1975. Mr. Kovar's claim is for reimbursement of costs incurred incident to this settlement.

The Federal Travel Regulations (FPMR 101-7) para. 2-6.1e (May 1973), implementing 5 U.S.C. 5724a(4) (1970), provide that in order to receive Government reimbursement for expenses incurred incident to the purchase of a residence upon transfer of official station, an employee must complete the settlement for which

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reimbursement is requested not later than 1 year after the date on which he reported for duty at the new official station, unless he has received an extension of this time limit, in which case he must complete settlement within 2 years after the date on which he reported for duty. Mr. Kovar requested and received such an extension, which gave him until March 25, 1975 to complete settlement.

Mr. Kovar contends that because "the approved contracts and forms supplied by our Banks/sic/ attorneys /show/ that binding legal and financial home construction commitments were made prior to the March 25, 1975 real estate reimbursement cut-off date," the requirement that settlement must have occurred before March 25, 1975 is satisfied.

We have held, however, that the word "settlement" as used in the regulations issued pursuant to and interpreting 5 U.S.C. 5724a(4) (1970) refers to the closing of a real estate transaction by the payment of the contract price consideration, the transfer or conveyance of title by deed or otherwise and the execution of such documents as create or evidence the liens secured by the real estate conveyed. We find no basis under the regulations for the view that the signing of the customary agreements for the purchase of real estate or construction of a residence is tantamount to "settlement" as that term is ordinarily used and understood. Therefore, June 17, 1975, the date of closing, is determinative in this case. B-166450, May 22, 1969; 47 Comp. Gen. 582 (1968); id. 792.

Under the controlling statutory regulations and decisions of this Office we find no basis for allowing the claim. Accordingly, the voucher may not be certified for payment.

R.F.KELLER

Deputy Comptroller General
of the United States