



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

E-177898

April 16, 1973

30808

Mr. William G. Dodds
Authorized Certifying Officer
National Oceanic and Atmospheric
Administration
U.S. Department of Commerce
Rockville, Maryland 20852

Dear Mr. Dodds:

This is in reply to your letter dated January 23, 1973, reference AD53, with enclosures, requesting an advance decision as to whether it is proper to certify for payment a voucher submitted by Mr. Robert M. Roe, an employee of the National Oceanic and Atmospheric Administration, in the amount of \$1,395.96, representing expenses incurred by Mr. Roe in connection with his proposed transfer of official station from Denver, Colorado, to Johnston Island in the Pacific.

Mr. Roe is a Meteorological Technician with the Environmental Meteorological Support Unit (EMSU) of the National Weather Service Office in Denver. The record demonstrates that on February 23, 1972, Mr. Roe was advised by the Meteorologist in charge of the Denver office that the EMSU at Denver would be abolished as of June 1, 1972, and that the employees involved would be transferred. Although the personnel of the Denver EMSU were to be offered positions in a new EMSU to be established in Detroit, Michigan, Mr. Roe indicated that he did not desire to transfer to Detroit. It appears that Mr. Roe considered the possibility of transferring to several locations and on April 14, 1972, he received an offer to transfer to Johnston Island which he accepted. However, since Mr. Roe's services were needed in Denver until the closing of the EMSU, the transfer was to be delayed until after June 1, 1972.

You state that as a result of the announced closing of the EMSU at Denver and in anticipation of his transfer, Mr. Roe sold his residence in Denver on April 23, 1972. Subsequently, it was officially determined that the EMSU at Denver would not be abolished. Since Mr. Roe preferred to remain in Denver, his transfer to Johnston Island was canceled and he purchased another residence in Denver.

It is on this basis that Mr. Roe claims that he is entitled to reimbursement for the real estate expenses incurred by him in connection

[Propriety of Payment for Expenses Incurred for Proper
Transfer.]

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B-177898

with the sale of his former residence and the purchase of a new residence in Denver. Your doubt in this matter arises from the fact that the transfer to Johnston Island was not completed.

Where a transfer of official station has been canceled and certain expenses would have been reimbursable had the transfer been completed, we have held that real estate expenses incurred by an employee prior to the cancellation of his transfer may be reimbursed. B-174505, December 21, 1971, copy enclosed. In the present case Mr. Roe sold his residence after the termination of the EMSU at Denver had been announced, after he had been offered a transfer to Johnston Island, and before his transfer was canceled. Accordingly, we see no reason why Mr. Roe may not be reimbursed for expenses incurred by him in connection with the sale of his residence to the extent authorized by section 4 of Office of Management and Budget Circular No. A-56, revised September 1, 1971. B-174505, supra.

As to the expense of purchasing a residence, ordinarily an employee may be reimbursed for such expense only at his new duty station upon permanent transfer. In the present case no actual transfer occurred because of the official determination not to abolish the EMSU at Denver. Since the various expenses were incurred as a result of this determination, for the purpose of reimbursement for expenses in connection with the purchase of his residence, we consider Mr. Roe to be in the same position that he would have been if the transfer had been consummated and he had been retransferred to his former station. Accordingly, we conclude that the expenses incurred by Mr. Roe incident to the purchase of a residence in Denver are allowable to the extent authorized by section 4 of Circular No. A-56.

We note that Mr. Roe has claimed \$299.50 on the voucher as the cost of an escrow agent for the closing of the real estate transaction. However, the loan settlement statement designates this amount as an "initial service charge" and on the statement of settlement this amount is listed as a "loan service fee." In this regard section 4.2d of Circular No. A-56 states that no fee is reimbursable which is determined to be part of the finance charge under the Truth in Lending Act, Title I, Public Law 90-321, and Regulation Z of the Federal Reserve Board, part 226, title 12, Code of Federal Regulations. Since an amount

B-177898

designated only as a service charge or fee would be considered part of the cost of money under the Truth in Lending Act, reimbursement of this amount would be precluded by the regulations, B-176481, August 11, 1972, copy enclosed.

The voucher is returned herewith for handling in accordance with the foregoing.

Sincerely yours,

PAUL G. DEMBLING
For the Comptroller General
of the United States

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