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*John V. Dyer, Lic. P.*

**DECISION**



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

**FILE: B-191704 DATE: June 13, 1978**

**MATTER OF: Overseas Employees -- Meals and Lodging in  
Staff Houses or Private Quarters**

**DIGEST:** Employees on temporary duty in foreign countries obtain lodging and meals in employee association staff houses or in private quarters of fellow employees at reduced costs or at no cost. Although Government supplies furnishings to associations at no cost and fellow employees receive living quarters allowances and loans of household goods, the quarters are not Government-owned for purpose of reducing per diem. However, agencies should consider lodgings-plus system for per diem and meanwhile should reduce per diem to only approximate traveler's expenses.

This decision is in response to the request from M. Douglas Stafford, Controller, Agency for International Development (AID), concerning whether per diem should be reduced for employees who are on temporary duty in foreign countries and who receive meals and lodging in staff houses (transient quarters) or in the private quarters of employees who are stationed overseas.

The request from AID states that under its travel regulations, per diem is to be reduced where meals or lodging are provided by the Government, and the agency questions whether meals or lodging which are provided in staff houses or private quarters should be considered to be Government-furnished meals and lodging. The agency questions whether staff houses which were initially operated by the agency and were turned over to an employee recreation association with the association assuming the lease liability or staff houses which were initiated by a recreation association constitute Government-furnished lodging where the furniture and equipment have been loaned at no cost, rented, or granted to the recreation association by the agency. The letter from AID states that the recreation association sets the charges and manages the finances of the staff houses without assistance from the agency, and it appears that meals and lodging are offered to the Government traveler at greatly reduced cost. For example, we have been advised that the

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staff house in Kabul, Afghanistan, offers employees on temporary duty meals, lodging, and laundry services at a daily rate of approximately \$25 per day while the authorized per diem for that duty station is \$66 per day. The result is that an employee who utilizes this staff house receives approximately \$40 per day in excess of his expenses.

With regard to Government travelers who stay in the private quarters of employees stationed abroad, the agency asks whether such quarters constitute Government-furnished quarters where the agency provides basic furniture and household equipment and a quarters allowance which is less than or equal to the rental and utility costs of the quarters.

The authority for reimbursement of the travel and related expenses of Foreign Service officers and employees is contained in 22 U.S.C. § 1136 (1970) and the implementing regulations which are contained in Volume 6 of the Foreign Affairs Manual (FAM). Under the provisions of 6 FAM 154.2-2(b), when meals or lodging is furnished without charge or at a nominal cost by a U.S. Government agency, the applicable per diem rate is reduced. Section 5912 of title 5, United States Code (1976), provides that under regulations prescribed by the head of the agency concerned and approved by the President, an employee who is a citizen of the United States permanently stationed in a foreign country may be furnished without cost to him living quarters in a Government-owned or rented building. Also, section 5923 of title 5, United States Code (1976), provides that when Government-owned or rented quarters are not provided without charge for an employee in a foreign area, the employee may be granted a living quarters allowance. We are not aware of any statute or statutory regulation that converts privately owned quarters to Government-owned or rented quarters when the Government has supplied the furnishings of such quarters to an organization which is not an integral part of the Government. Regarding the loan of household goods to employees stationed abroad, section 1137 of title 22, United States Code (1970), provides that the Secretary of State may, if he finds it in the interest of the Government to do so as a means of eliminating transportation costs, provide officers and employees of the Foreign Service of the United States with basic household furnishings and equipment for use on a loan basis in personally owned or leased residences.

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Since the staff houses and private quarters described above are not owned by the Government, we are of the view that they do not constitute Government-furnished quarters which warrant a reduction in per diem under the applicable travel regulations.

On the other hand, we believe the agency has an obligation to take the appropriate action to reduce excess per diem allowances. We note that 5 FAM 114 provides as follows:

"In accordance with the provisions of law and these regulations, Foreign Service employees and the members of their family are entitled only to actual and necessary expenses incurred in the performance of official travel. Travelers are expected to make a conscientious effort to minimize costs of official travel and to assume costs of a personal nature and any additional expenses incurred for personal convenience." (Emphasis supplied).


In addition, we have long held that Congress, in providing per diem, intended that the allowances should as nearly as possible approximate the additional out-of-pocket expenses and that agencies have an administrative responsibility to prevent the fixing of per diem at a rate in excess of that required to meet necessary authorized expenses. See 40 Comp. Gen. 234, 237 (1960); and 31 id. 264 (1952). For example, we have held that employees who stay with friends or relatives while on temporary duty or during a period of temporary quarters within the United States may not automatically claim the commercial rates for such lodging without a showing that the amount claimed reflects additional expenses incurred and is reasonable. See J. William Laude, B-189800, December 29, 1977, and decisions cited therein.

Government employees who travel within the United States are reimbursed for per diem under a lodgings-plus system under which the traveler is allowed the average cost of his lodgings plus a fixed amount for meals and miscellaneous expenses, not to exceed the ceiling for per diem. See para. 1-7.3c of the Federal Travel Regulations (FPMR 101-7) (May 1973). While the

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Federal Travel Regulations are not applicable to Foreign Service employees who are traveling overseas, we have been advised that a lodgings-plus system is being considered by the appropriate authorities in the Department of State for application to the travel described above. We support this effort and we would recommend that the agencies, as an interim measure, consider establishing a specific per diem rate when it is known in advance that the traveler will not be using commercial facilities but rather will stay with friends or relatives or in staff houses. See, for example, Charles R. Foltz, 55 Comp. Gen. 856 (1976).

Accordingly, action should be taken consistent with the above discussion.

  
Acting Comptroller General  
of the United States