

DECISION

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

FILE: B-202906**DATE:** September 15, 1982**MATTER OF:** Ganesh C. Bhuyan - Relocation Expenses

- DIGEST:**
1. Employee, who was authorized a househunting trip in connection with a permanent change of station, claims househunting expenses for his wife and two children. His agency denied the expenses incurred by his children. The agency action was correct since FTR para. 2-4.1a does not authorize househunting expenses incurred by children of an employee. Agency correctly held that, even though househunting trip was to high rate geographical area, reimbursement was limited to highest statutory per diem rate, not actual expenses. However, for trips to and from airport for househunting trip, employee is entitled to be reimbursed at usual rate for such trips, not reduced househunting mileage rate.
 2. Employee and wife traveled to new permanent duty station in two different privately owned vehicles (POV) and claimed mileage expenses at a rate of 20 cents per mile for each POV, and also claimed actual subsistence expenses. The agency reduced claim to 12 cents per mile for one POV and 8 cents per mile for the other based on FTR para. 2-2.3b. The agency also disallowed his claim for reimbursement for actual subsistence expenses, and instead authorized per diem based on highest statutory per diem rate, under FTR para. 2-2.3d. The agency action was in accord with provisions of FTR.
 3. An employee was authorized temporary quarters subsistence in connection with a permanent change of duty station, but the record shows that the employee moved

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directly from one permanent residence to another. Temporary quarters subsistence expenses may not be paid if an employee never occupies temporary quarters. FTR para. 2-5.2c.

- 4) Under miscellaneous expense allowance transferred employee may be reimbursed for cost of registering and inspecting his cars, and for telephone calls made on househunting trip, if they relate to otherwise allowable expenses. Employee may not be reimbursed for car repair expenses, cost of packing materials for household goods, repairs to old residence needed to pass local inspection, new mailbox at new duty station, cleaning drapes, or mailing materials that could have been shipped with household goods. Employee may be reimbursed for cost of required local inspection of old residence as a real estate expense under FTR para. 2-6.2f.
- 5) Employee who shipped 10,400 pounds excess weight of household goods contends that 4,000 pounds of excess weight were professional books to be shipped at agency's expense. Determination of weight of professional books is for agency to make, and will not be disturbed by GAO unless it is clearly in error. Agency should first ascertain whether certifications required by FTR para. 2-8.2a-1 can be made. If it is decided that allowance for professional books may be made, amount of allowance should be calculated by same formula, FTR para. 2-8.3b(5), used to determine amount due from excess weight of household goods.

Ms. Elizabeth A. Allen, an authorized certifying officer of the Internal Revenue Service (IRS), Southwest Region, Dallas, Texas, has requested an advance decision concerning the travel vouchers submitted by Ganesh C. Bhuyan for expenses incurred during his permanent change

of station. Many of Mr. Bhuyan's claims were disallowed or reduced by the IRS in accordance with their travel regulations. Mr. Bhuyan has submitted reclaim vouchers covering his househunting trip, transportation of his family and himself to his new duty station, temporary quarters subsistence expenses, miscellaneous expenses, and costs of transporting his household goods. The certifying officer questions whether any of Mr. Bhuyan's reclaim vouchers may be certified for payment.

Along with his reclaim vouchers Mr. Bhuyan has prepared comparisons to show that he saved the Government money, since his claimed expenses were reasonable in comparison to what he could have claimed under IRS regulations. Therefore, the threshold issue here is whether Mr. Bhuyan may be reimbursed in the manner he claims if he can show that he saved the Government money by claiming a lower total than he could have claimed by strictly following the appropriate regulations. We are constrained to hold that Mr. Bhuyan may only be reimbursed in accordance with applicable regulations, based on the events that actually took place. John A. Orris, 58 Comp. Gen. 652 (1979); Patrick J. Twohig, B-185511, March 3, 1976.

Therefore, we will review each of Mr. Bhuyan's reclaim vouchers in accordance with applicable regulations to determine what additional amounts, if any, may be certified for payment.

HOUSEHUNTING TRIP

Mr. Bhuyan was authorized a trip to seek permanent residence quarters at his new official duty station. On April 2, 1980, his wife and two children flew from Cleveland, Ohio, to Denver, Colorado, returning on April 5. Mr. Bhuyan claimed \$364 for airfare for his children, in addition to the Government transportation request used for airfare for his wife. The IRS disallowed his claim of \$364 for airfare for his children, since expenses for children are not allowable on a househunting trip. Mr. Bhuyan has reclaimed the original amount. We sustain the agency's disallowance of the \$364 because the regulations only authorize payment of househunting trip

expenses for an employee and spouse. Federal Travel Regulations, FPMR 101-7 (May 1973)(FTR), paragraph 2-4.1a.

Mrs. Bhuyan and her children stayed with friends so they incurred no lodging expenses while in Denver. To calculate the subsistence expense claim, Mr. Bhuyan took the actual subsistence rate for Denver, a high rate geographical area (HRGA), and took 45 percent of that rate, \$22.50, as the applicable rate for reimbursement. He then multiplied by 1.75 to find the daily rate for Mrs. Bhuyan and the children, and multiplied again by 3, the number of days, for the total subsistence claim of \$147.66. The IRS disallowed all reimbursement for the children's expenses, and reduced the daily rate for Mrs. Bhuyan to \$16, under Internal Revenue Manual Travel Handbook (IRM), paragraph 313(1)(d). Mr. Bhuyan has reclaimed the entire amount stated in his original voucher.

As stated above there is no authority for reimbursing any expenses for children on a househunting trip, so the IRS denial of that portion of the claim is correct. We note that, although Denver is a HRGA, in Walter J. Stevens, B-190018, September 27, 1977, we held that the maximum statutory per diem rate, not the HRGA actual subsistence rate, was the proper rate to be applied to a househunting trip. At the time of Mrs. Bhuyan's househunting trip, the maximum per diem rate was \$35. The IRS applied paragraph 313(d) of the IRM which sets a per diem rate of \$16 when lodgings are furnished. The same result is reached if the "lodgings plus" system of FTR para. 1-7.3c(1) is applied, since \$16 is added to the average cost of lodgings to arrive at the final per diem rate. Thus, we hold that the IRS correctly disallowed all subsistence reimbursement for the children, and correctly found that the proper per diem rate for Mrs. Bhuyan was \$16.

Mr. Bhuyan also submitted claims for \$30.36 for telephone calls made on the househunting trip. The IRS originally paid that amount, but now believes that the calls are not reimbursable. Telephone calls are not reimbursable under the househunting trip authority.

However, costs of telephone calls concerning otherwise allowable expenses may be reimbursed under miscellaneous expenses. Richard B. Dawson, B-189140, November 23, 1977; Walter Alt, B-105160, January 2, 1976. Thus, if Mr. Bhuyan can demonstrate that the telephone calls related to otherwise allowable expenses, those amounts may be considered for reimbursement under miscellaneous expenses.

Mr. Bhuyan claimed mileage for the trips to and from the Cleveland airport at a rate of 20 cents per mile. The IRS reduced this claim to 8 cents per mile in accordance with IRM paragraph 532(6), which limits mileage reimbursement when use of a privately owned vehicle is authorized for a househunting trip. However, under FTR para. 2-4.2, reimbursement of normal costs of transportation between airports and places of lodging is authorized. Thus, we hold that for transportation from his residence to the airport in connection with the househunting trip, Mr. Bhuyan is entitled to reimbursement under the rate established by FTR para. 1-4.2c(1).

TRAVEL TO NEW DUTY STATION

Mr. Bhuyan traveled alone in his privately owned automobile from Cleveland Heights, Ohio, to Denver, Colorado, between August 3 and 6, 1980. He claimed reimbursement for mileage at a rate of 20 cents per mile and he claimed \$124.75 in actual subsistence expenses for the 3-1/4 day trip.

The IRS reduced the mileage claim to 8 cents per mile in accordance with IRM paragraph 543(4)(a). That paragraph provided, at the time of Mr. Bhuyan's transfer, that when travel to the new station is by privately owned automobile, reimbursement for mileage was to be at a rate of 8 cents per mile if the employee traveled alone. This is in accord with FTR para. 2-2.3(b). Therefore, the IRS was correct in reducing Mr. Bhuyan's mileage reimbursement to 8 cents per mile.

The IRS also disallowed Mr. Bhuyan's claim for actual subsistence expenses and instead allowed him per diem expenses at a rate of \$35. The IRM paragraph 544(i)(a) states that the per diem rate for travel by an employee

and family members between the old and new official stations incident to a transfer, shall be equal to the per diem rates prescribed in IRM paragraph 313, which was \$35 per day at the time of Mr. Bhuyan's transfer. Therefore, the IRS was correct in disallowing Mr. Bhuyan's claim for actual subsistence expenses and instead reimbursing him at a per diem rate of \$35 under these circumstances, since the FTR para. 2-2.3d limits per diem while traveling between old and new duty stations to the statutory maximum, or less. At the time of Mr. Bhuyan's transfer that was \$35.

Mr. Bhuyan's wife and two children traveled in their privately owned automobile from Cleveland Heights, Ohio, to Denver, Colorado, at the same time Mr. Bhuyan traveled. Mr. Bhuyan claimed reimbursement for their mileage at a rate of 20 cents per mile and he claimed \$218.32 in actual subsistence expenses for their trip.

The IRS reduced the mileage claim to 12 cents per mile based on IRM paragraph 543(4)(c). That section states that when travel to a new duty station is by privately owned automobile, reimbursement for mileage is limited to 12 cents per mile if three members of the immediate family travel together. Accordingly, the IRS was correct in reducing the mileage reimbursement to 12 cents per mile. See FTR para. 2-2.3b.

The IRS also disallowed Mr. Bhuyan's claim for actual subsistence expenses and recomputed the per diem entitlement in accordance with applicable regulation. The IRM paragraphs 544(1)(b) and (d) state that while traveling between old and new duty stations, the spouse is entitled to three-fourths of the per diem rate to which the employee is entitled and that each child under 12 years of age is entitled to one-half of the per diem rate to which the employee is entitled. Mr. Bhuyan is only entitled to reimbursement at these rates and his reclaim voucher may not be certified for payment. See FTR para. 2-2.2(b)(1) and (2). The fact Mr. Bhuyan might have incurred extra costs by flying to his new duty station has no bearing on the outcome of this case.

TEMPORARY QUARTERS SUBSISTENCE EXPENSES

Mr. Bhuyan originally claimed \$2,237.51 for temporary quarters subsistence expenses (TQSE) from July 25, 1980,

to August 24, 1980. However, payment of his claim was denied since he had not submitted a form listing his actual subsistence expenses on a daily basis, and had used a per diem rate that was not effective until October 5, 1980. He then filed a reclaim voucher for TQSE totalling \$1,667.02 for the same time period. He explains that for the first 10 days, from July 25 to August 3 he was forced to stay in Cleveland Heights, Ohio, in his former residence, since the mover did not arrive. He claimed \$89.20 a day for lodging which he explained was the "true cost of utilizing the residence temporarily." He also claims TQSE for his stay at his new residence in Westminster, Colorado, from August 6 to August 24. He claims \$33.10 a day for lodging which he asserts was the, "true cost of utilizing the residence temporarily."

The issue is whether, under the circumstances described above, Mr. Bhuyan is entitled to any TQSE.

In order to be eligible for TQSE, the employee must occupy temporary quarters. Under FTR para. 2-5.2c temporary quarters are any lodgings, "obtained from private or commercial sources to be occupied temporarily by the employee or members of his immediate family who have vacated the residence quarters in which they were residing at the time the transfer was authorized." The record before us does not show that Mr. Bhuyan occupied temporary quarters at any time. Instead it appears that he moved directly from one permanent residence, the one he occupied at his old duty station, to another, the one he purchased at his new duty station, and never occupied temporary quarters. Since Mr. Bhuyan never occupied temporary quarters, he is not entitled to temporary quarters subsistence expenses. Steven L. Chancey, B-199958, April 22, 1981; James C. Williams, B-187212, March 7, 1977.

MISCELLANEOUS EXPENSES

Mr. Bhuyan originally claimed \$1,428.77 in miscellaneous expenses incident to his change of duty station. The IRS only certified payment of \$200 which represents the minimum amount payable for miscellaneous expenses without documenting all claimed expenses. Mr. Bhuyan then submitted a reclaim voucher in which he claimed \$1,453.01 for miscellaneous expenses and the IRS forwarded the voucher to us to see what amount may be certified for payment.

In his reclaim voucher, Mr. Bhuyan has claimed reimbursement for the following miscellaneous expenses:

Point of Sale Inspection and Repairs of Old Residence	\$913.00
Car Registration and Repairs	106.07
Packing Tapes	157.80
Drape Cleaning	144.15
Mailing Journals	119.62
Mailbox	12.37

The miscellaneous expenses allowance is authorized for the purpose of defraying various contingent costs associated with discontinuing a residence at one location, and establishing one at a new location. The allowance is related to expenses that are common to living quarters, furnishings, household appliances, and to other general types of costs of relocation of a residence. FTR para. 2-3.1a. We will examine each of the claimed expenses to determine whether they are reimbursable as miscellaneous expenses.

i. Point of Sale Inspection and Repairs

In support of his claim for the cost of his Point of Sale Inspection, Mr. Bhuyan has furnished documentation to show that the inspection was required by a local ordinance. We believe that the cost of the inspection is reimbursable since it was required by law before his residence could be sold. However, we believe that it should be reimbursed under FTR para. 2-6.2f which covers incidental charges made for required services in selling a residence. Therefore, the \$25 inspection fee may be reimbursed under that section as a real estate expense.

However, after his inspection Mr. Bhuyan spent \$888 for repairs of his residence in Cleveland Heights which he claims were necessary to pass the inspection. Repairs to a residence which make the property salable are not reimbursable under the travel regulations, since, under FTR para. 2-6.2d, operating or maintenance costs of a residence are not reimbursable. Additionally, under FTR para. 2-3.1c, costs disallowed under other sections are not reimbursable as miscellaneous expenses.

Irwin Kaplan, B-190815, March 27, 1978. Thus, Mr. Bhuyan

may not be reimbursed for the repair costs even though they were required following the inspection.

2. Car Registration and Repairs

Mr. Bhuyan has claimed \$106.07 for car registration and inspection. The record shows that the cost of registering the cars in Colorado was \$55.92, and the cost of the car inspection \$5.50. Both amounts may be certified for payment as miscellaneous expenses. George M. Lightner, B-184908, May 26, 1976, and FTR para. 2-3.1b(6). However, he may not be reimbursed for his claim for registering his car in Ohio since that expense was not related to his transfer, and was incurred prior to his permanent change of station. He also claims reimbursement for \$19.15 for repairs which he states were required in Colorado to cut down on air pollution. However, the record does not support this contention since the bills submitted are for replacing lights and setting timing which are not necessarily pollution control repairs. We have held that, even though the cost of the auto inspection is reimbursable, the cost for repairs to pass the inspection are not reimbursable. B-163107, May 18, 1973.

3. Packing Tapes

Mr. Bhuyan has claimed reimbursement for \$157.80 for packing tapes. Mr. Bhuyan's household goods were shipped on a Government Bill of Lading, under the actual expense method. There is no authority to credit an employee for the value of his services in packing his own goods or for the cost of packing materials, under those portions of the FTR covering the transportation of household goods. Therefore, Mr. Bhuyan may not be reimbursed for the packing tapes he purchased or for the value of his services as a packer. Alex Kale, 55 Comp. Gen. 779 (1976); Joseph B. Marcotte, Jr., B-196774, August 19, 1980. Additionally, as stated above, FTR para. 2-3.1c prohibits reimbursement for miscellaneous expenses disallowed under other provisions of the FTR.

4. Drape Cleaning

Mr. Bhuyan claims \$144.15 for cleaning his drapes. We have held that an employee is not entitled to

reimbursement for expenses incurred for carpet and drapery cleaning at the time of a transfer, since these expenses represent regular household maintenance costs which are not inherent in relocating a place of residence. Irwin Kaplan, B-190815, March 27, 1978.

5. Mailing Journals

Mr. Bhuyan claims \$119.62 as a miscellaneous expense for mailing journals to his new residence. The record shows that these expenses were incurred at his old duty station prior to the pickup of his household goods. Based on the record before us, we must deny the claim, since it appears that the journals were mailed to Mr. Bhuyan's new residence when they could have been moved as part of his household goods, and, therefore, there is no authority for reimbursement for these expenses beyond that payable for the transportation of household goods. FTR para. 2-3.1c.

6. Mailbox

Finally Mr. Bhuyan has claimed \$12.37 as a miscellaneous expense for a mailbox at his new home. The cost of a mailbox is not reimbursable since it is a newly acquired item, and FTR para. 2-3.1c(5) specifically excludes reimbursement of the cost of newly acquired items.

In summary, Mr. Bhuyan is only entitled to be reimbursed \$25 for his Point of Sale Inspection under FTR para. 2-6.2f. His total reimbursement for itemized miscellaneous expenses is still lower than the minimum amount allowable, and the IRS was correct in reimbursing him \$200 for his miscellaneous expenses.

SHIPMENT OF HOUSEHOLD GOODS

Mr. Bhuyan shipped his household goods on a Government Bill of Lading (GBL), via Cartwright Van Lines. He was authorized shipment of up to 11,000 pounds at Government expense by the actual expense method. Mr. Bhuyan shipped 21,400 pounds of household goods at a total cost of \$6,541.74. The IRS paid the entire cost and then computed Mr. Bhuyan's liability for the cost of shipment in excess of 11,000 pounds. Rather than pay the amount to the Government, Mr. Bhuyan raises two points which he alleges relieve him from liability for the excess cost.

Mr. Bhuyan contends that he should not be required to pay any charges for the shipment of household goods in excess of the allowable 11,000 pounds. He calculates the total amount for which he believes he could have been reimbursed, and he finds that this exceeds the total costs that were charged by the carrier. Therefore, he contends that he owes nothing for the excess weight. He seems to have made his calculation by using the appropriate commuted rate for the distance shipped, for 11,000 pounds, adding an allowance for shipment of professional books, an allowance for packing services, an insurance charge, and a charge for storage and inconvenience.

Once an agency decides that an employee's household goods will be shipped under the actual expense method by GBL, the fact that greater reimbursement would be received under the commuted rate system is irrelevant. In fact the basis for selecting the actual expense method is that it would be less costly to the Government than the commuted rate system. B-169407, September 15, 1970. Therefore, Mr. Bhuyan is not entitled to any further reimbursement or credit based upon the commuted rate method.

As discussed in the miscellaneous expense section above, when an employee ships household goods under the actual expense method, he is not entitled to any credit for his own services in packing goods or for the cost of any packing supplies. Alex Kale, 55 Comp. Gen. 779 (1976). Therefore, Mr. Bhuyan is not entitled to any further reimbursement or credit because he packed many of his household goods. The carrier's voucher indicates an additional insurance charge of \$134 on the shipment of Mr. Bhuyan's household goods. Mr. Bhuyan may not be reimbursed for this charge. Under FTR para. 2-8.4e(3), an employee may place a value on his household goods higher than the carrier's minimum insured valuation, but the cost of that added value is the employee's responsibility. Joel T. Halop, B-195953, June 5, 1980.

Mr. Bhuyan contends that his liability should be reduced by an allowance for storage and inconvenience. However, the record does not show that his household goods were stored at any time, since they appear to have been moved directly from his old residence to his new

residence. Therefore, there is no storage for which Mr. Bhuyan may be reimbursed, and there is no authority for reimbursement for inconvenience suffered during the transportation of household goods.

Mr. Dhuyan contends that 4,000 pounds of the household goods shipped represented professional books. In B-171677, May 13, 1971, we held that professional books owned by an employee may be shipped as an administrative expense of the agency; if the agency has promulgated a regulation which provided for such shipment. IRS has an appropriate regulation, IRM paragraph 564.4, which is a restatement of FTR para. 2-8.2a-1. The IRS has raised the following three questions regarding this portion of Mr. Bhuyan's claim:

- "(1) What evidence must be submitted by the employee to support the actual weight of the books in lieu of weight tickets;
- "(2) Which costs, other than line-haul transportation, should be included in determining the employee's prorata share of the excess weight (annotate on the attached copy of GBL); and
- "(3) Method of computation to be used if shipment of books is authorized at Government's expense-at employee's expense."

We cannot say precisely what documentation or information is necessary to support a finding as to the weight of professional books shipped. That determination is a factual determination that must be made by the agency, and we will treat it just as we would a finding of overweight on a household goods shipment; that is, we will not disturb the weight determination unless it is clearly in error. Richard G. Martello, B-198561, December 24, 1980. The record, as it stands now, is not sufficient to support Mr. Bhuyan's contention that his household goods shipment included 4,000 pounds of professional books and journals. A one page listing of names of journals, with the estimate of 100 xerox and grocery store boxes weighing 40 pounds each is not sufficient. Prior to trying to establish the weight, we suggest that the other certifications required

by the regulations be obtained, since, if the certifications of necessity cannot be made, then there can be no allowance for Mr. Bhuyan's professional books.

We believe that, in a case such as this where the professional books have not been separately marked, weighed, and shipped, the portion of the charges that may be allocated to the weight of the books should be calculated in the same manner as is the determination for normal excess weight charges under FTR para. 2-8.3b(5). We note that the excess weight charges for the shipment of Mr. Bhuyan's household goods were not properly computed by IRS. We will discuss the method by which excess weight charges are computed below.

We are not entirely sure of the issue to be considered in question 3, above. Under FTR para. 2-8.2a-1(3)(c), if a shipment of professional books are to be authorized, it shall be shipped under the actual expense method; the commuted rate method may not be used. Thus, if the professional books are to be moved at Government expense, they must be shipped by the actual expense method. If there is no determination that professional books will be shipped at the agency's expense, and they are being moved at the employee's expense, then they are simply part of the employee's household goods and no special computations are needed.

The manner in which excess weight charges are to be calculated is set out in FTR para. 2-8.3b(5). We have recently considered this paragraph in William A. Schmidt, Jr., B-199780, April 8, 1982, 61 Comp. Gen. _____. The formula to be applied is set out below, and is applied to Mr. Bhuyan's shipment. To arrive at the "total charges," we have subtracted \$134, the cost of the extra insurance obtained by Mr. Bhuyan, because we have already held that he is liable for the entire amount of that insurance.

Step 1: Excess Weight
----- = Ratio to be applied
Total weight

Step 2: Ratio x Total Charges = Employee's share
for the movement
of the household
goods

Applying the formula to Mr. Bhuyan's shipment yields the following result:

$$\begin{array}{r} \text{Step 1: } 10,400 \\ \hline 21,400 \end{array} = .486$$

$$\text{Step 2: } .486 \times (\$6,541.74 - 134) = \$3,114.16$$

Mr. Bhuyan's total liability for excess costs of shipping household goods, absent any allowance for professional books, becomes:

$$\begin{array}{r} \$3,114.16 \\ \quad 134.00 \quad \text{added insurance} \\ \hline 3,248.16 \end{array}$$

If it is decided that Mr. Bhuyan is to be given an allowance for professional books, then the weight allowed for the books should be substituted for the excess weight in the formula, and computation should proceed in the same manner. Assuming it is decided by the IRS that Mr. Bhuyan should be allowed the full 4,000 pounds of professional books he is claiming, the computation of the allowance would be as follows:

$$\begin{array}{r} \text{Step 1: } 4,000 \\ \hline 21,000 \end{array} = .187$$

$$\text{Step 2: } .187 \times (\$6,541.74 - 134) = \$1,198.25$$

This amount would then be subtracted from the amount owed by Mr. Bhuyan for excess weight of household goods.

REAL ESTATE EXPENSES

The IRS has also submitted materials concerning Mr. Bhuyan's real estate expense claims in connection with both the sale of his residence in Cleveland Heights, Ohio, and the purchase of his home in Westminster, Colorado. It is unclear from the record submitted whether Mr. Bhuyan is reclaiming the real estate expenses originally disallowed by IRS. It is clear, however, that he has submitted

no additional information concerning his claimed real estate expenses which were originally denied by the IRS. Based on the record before us, the IRS correctly reviewed Mr. Bhuyan's claim. However, if additional information is submitted by Mr. Bhuyan concerning items which were specifically denied, the IRS should consider such evidence. If it is unclear whether payment should be made on these resubmitted items, the IRS may request a further decision from this Office.

Accordingly, all of the vouchers are being returned to IRS for action as set out in this decision.

Milton J. Fowler
for Comptroller General
of the United States