

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

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FILE: B-215316**DATE:** August 29, 1984**MATTER OF:** Chester M. Purdy -- Claimed Loss on Currency Exchange as an Overseas Travel Expense**DIGEST:**

An employee on official travel may not be reimbursed for loss he sustains in reconverting travelers checks and cash, drawn in British pounds, into United States dollars. As a general rule, the risk of incurring an exchange loss while on temporary duty in a foreign country lies with the employee. 23 Comp. Gen. 212 (1943). Absent statutory or regulatory authorization, losses incurred on a currency exchange may not be reimbursed. Similarly, there is no authority for the agency to recoup any gain in currency conversion from the employee.

Mr. V. Joseph Startari, an Authorized Certifying Officer of the Department of Energy (DOE), requests a decision as to whether Mr. Chester M. Purdy, a DOE employee, should be reimbursed \$30.28 for exchange losses he incurred when he purchased British currency and travelers checks incident to official travel to England. We hold that Mr. Purdy is not entitled to the claimed loss of \$30.28 as an allowable expense since there is no authority for such reimbursements.

BACKGROUND

From October 8 to October 15, 1983, DOE assigned Mr. Purdy to temporary duty in Chester, England. In connection with his travel, he received a \$900 travel advance, issued in the form of a United States Treasury check, to offset his anticipated per diem and miscellaneous expenses. From the record before us, Mr. Purdy initially spent a portion of his advance on British pounds

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in currency, and travelers checks.^{1/} Since the exchange rate at the time of purchase was \$1.5416 for the currency, and \$1.5404 for the travelers checks, his cost for 157 British pounds and 90 pounds in travelers checks was \$242.03 and \$138.64 respectively. In a subsequent attempt to reconvert the unexpended funds into United States dollars, Mr. Purdy learned that the exchange rate had dropped to \$1.4186 for the period of time in which he held the pounds. Consequently, on reconversion, he now realized only \$222.72 for the British currency and \$127.67 for the travelers checks, resulting in losses of \$19.31 and \$10.97, respectively.

Although Mr. Purdy claimed his losses as reimbursable travel expenses, the agency denied his request stating that the express provisions of the Federal Travel Regulations (FTR) FPMR 101-7 (September 1981), paragraph 1-9, did not authorize reimbursement. Mr. Purdy resubmits his claim of \$30.28, arguing that the loss is reimbursable since it was incident and necessary to his temporary duty overseas.

DISCUSSION

Section 5706 of Title 5, United States Code, authorizes the payment of actual and necessary expenses incurred by Government employees traveling on official business away from their duty stations. Implementing the statute, Chapter 1, Part 9 of the FTR, further authorizes the payment of certain miscellaneous expenses which may be incurred by employees in the performance of their duties. Thus, allowable expenses for the purchase of travelers checks and currency conversion include reimbursement for the cost of travelers checks purchased in connection with an employee's official travel, FTR para. 1-9.1b-1, and commissions for the conversion of currency, FTR para. 1-9.1c(1). However, as a general rule, the risk of

^{1/} The record does not contain the exact amount of the initial purchase. Thus, this claim is apparently for only the amount of currency and travelers checks Mr. Purdy had in his possession at the conclusion of his trip.

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incurring an exchange loss while on temporary duty in a foreign country lies with the employee. 23 Comp. Gen. 212 (1943).

This Office carved out a narrow exception to the rule in 23 Comp. Gen. 212 in Julian B. Hammond, B-185286, August 26, 1976, where we allowed an employee's loss on foreign currency under the provisions of FTR para. 1-9.1d, which provides reimbursement for expenditures not otherwise enumerated when necessarily incurred for official purposes. There, an exchange loss was incurred as a result of a requirement of the Soviet government for official travelers to pay for hotel rooms in advance and in hard currency. As a result, the employee had little alternative but to accept and to pay in advance for his accommodations in Russian rubles. Thus, any loss which he sustained was necessarily incurred in the transaction of public business.

We agree with the DOE's contention. There is no specific statute or regulation authorizing reimbursement for currency exchange losses. This loss is neither enumerated under FTR para. 1-9 as an approved expense nor can it be viewed as a necessarily incurred expense in connection with Mr. Purdy's temporary duty as required by FTR para. 1-9.1d. Unlike the claimant in Julian B. Hammond, Mr. Purdy received his travel advance in United States dollars and voluntarily chose to convert a portion of these funds into British currency and travelers checks. Thus, absent statutory or regulatory authorization, Mr. Purdy's claimed travel expenses may not be approved. John A. Maxim, Jr., B-212032, July 6, 1983; Alex Perge, B-198824, January 23, 1981.

The agency poses an additional question concerning the situation where a favorable exchange rate gives the employee a realized gain. As previously stated, there is no authority to reimburse the employee for any losses that might result from reconversion of currency and travelers checks. Similarly, there is no authority which requires the agency to recoup any gain in currency conversion from the employee. Thus, the employee should be allowed to keep any gain from this transaction.

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For the reasons stated above, we hold that Mr. Purdy may not claim as a reimbursable expense the \$30.28 loss which he sustained from the reconversion of unexpended foreign currency and travelers checks into United States dollars.

for Milton J. Fowler
Comptroller General
of the United States