



**The Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: Robert M. Weinberg - Real Estate Expenses -
Cooperative Transfer Fee

File: B-232092

Date: July 14, 1989

DIGEST

A transferred employee may not be reimbursed the amount paid for a cooperative apartment transfer fee since it is not specifically authorized in the Federal Travel Regulations, nor is it analogous to other items for which reimbursement is authorized.

DECISION

This decision is in response to a request from an authorized certifying officer, Internal Revenue Service (IRS), concerning the reimbursement of a 6 percent cooperative transfer fee incurred by an IRS employee incident to his permanent change of station. We hold that he is not entitled to reimbursement for the following reasons.

BACKGROUND

Mr. Robert M. Weinberg, an IRS employee, was transferred from New York City to Washington, D.C. He owned a cooperative apartment in New York City, and he sold his interest in it to Chem Exec, a relocation services company under contract to the IRS to provide relocation services for its employees.^{1/}

The by-laws of this cooperative corporation provide that a transfer fee of 6 percent of the selling price is due the corporation at the closing of a sale. Chem Exec assessed Mr. Weinberg \$4,410 for a transfer fee and deducted such amount from his net proceeds on the sale. Mr. Weinberg subsequently requested reimbursement of that amount from the

^{1/} Cooperative ownership of real property is a form of ownership that qualifies for reimbursement for real estate expenses. Nathaniel E. Green, 61 Comp. Gen. 352 (1982).

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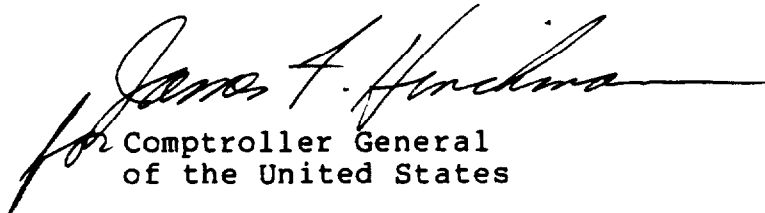
IRS on the basis that the fee is similar to a brokerage fee which is an allowable expense under the Federal Travel Regulations, FPMR 101-7, incorp. by ref., 41 C.F.R. § 101-7.003 (1985) (FTR). The IRS denied his claim on the basis that the fee was not reimbursable since it was part of the cost of sale for which IRS paid Chem Exec under the terms of the contract.

OPINION

An employee who uses a relocation service contractor may not be reimbursed for real estate expenses which are analogous or similar to expenses that the agency has paid for under the relocation services contract. FTR, para. 2-12.5b (Supp. 11, Aug. 27, 1984); James T. Faith, 67 Comp. Gen. 453 (1988). In this particular case, Chem Exec deducted the cooperative sales fee from the purchase price due Mr. Weinberg in order to pay the cooperative corporation. Thus, Mr. Weinberg is not requesting reimbursement for a service for which Chem Exec was paid under the terms of its contract; rather he is claiming reimbursement for the fee which he was required to pay at settlement with Chem Exec under the terms of the cooperative's by-laws.

As to whether the fee is otherwise reimbursable under the FTR, we note that under para. 2-6.2d(1) (Supp. 4, Aug. 23, 1982), certain miscellaneous expenses are reimbursable in connection with the sale of a residence. However, none of these reimbursable items are analogous to a cooperative transfer fee; nor is such a fee specifically listed. Moreover, we have denied reimbursement for analogous fees imposed by cooperative associations in connection with other sales of cooperative units. See Ethan F. Roberts, B-230741, Sept. 19, 1988, and William D. Landau, B-226013, Oct. 28, 1987, involving resale waiver fees or "flip taxes" paid by the seller for the opportunity to sell the unit to the public at the market price rather than to the cooperative association for the original purchase price.

Accordingly, Mr. Weinberg's claim for reimbursement of the cooperative transfer fee is denied.


for Comptroller General
of the United States